

***United States Court of Appeals
for the Second Circuit***



EXHIBITS

77-7098

ORIGINAL

B

United States Court of Appeals

For the Second Circuit

RICHARD I. CLARK, as Executor of the
Estate of BERNICE C. GRUPE,

Plaintiff-Appellee

against

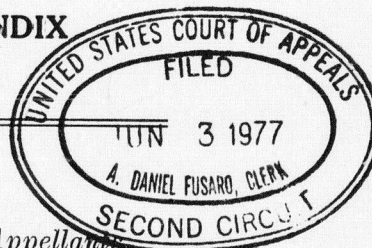
JOHN LAMULA INVESTORS, INC. and
JOHN J. LAMULA,

Defendants-Appellants.

P/S

**On Appeal from a Final Judgment of the United States
District Court for the Southern District of New York**

**SUPPLEMENTAL JOINT APPENDIX
OF EXHIBITS**



PLUNKETT, WETZEL & JAFFE
Attorneys for Defendants-Appellants
20 East 46th Street
New York, New York 10017
(212) 687-7210

SILBERFELD, DANZIGER & BANGSER
Attorneys for Plaintiff-Appellee
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New York, New York 10017
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PLAINTIFF'S EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>Appendix of Exhibits Page Number</u>
1	New account card signed by appellee's decedent (Mrs. Grupe)	E1
15	Receipt issued by defendant-appellant, John Lamula Investors, Inc. ("JLI") dated May 30, 1974	E3
18A	Tabulation of income, issued by JLI to Mrs. Grupe on or about May 30, 1974	E4
20	Handwritten statement of Mrs. Grupe's initial investments, with attachments, prepared by JLI and defendant-appellant John J. Lamula ("Lamula")	E5
22	Supplemental handwritten statement, tabulation of income and statement, sent by JLI to Mrs. Grupe on or about June 3, 1974 (3 documents)	E7
41A	Handwritten statement prepared by JLI and Lamula on or about July 31, 1974, reflecting all transactions in Mrs. Grupe's account	E10
165	Charts (12 pages) showing, with respect to each convertible debenture issue purchased by Mrs. Grupe, (i) the sales price to Mrs. Grupe, (ii) quotations appearing on the back of JLI order tickets with respect to such purchase, (iii) yellow sheet quotations for May 21 through May 24, 1974, including such quotations by JLI (if any), and (iv) the settlement dates on which and prices for which JLI acquired the debentures sold to Mrs. Grupe	E11
166	Charts (11 pages) showing with respect to each convertible debenture issue purchased by Mrs. Grupe, (i) the L. F. Rothschild & Co. sales prices(s) therefor, and (ii) quotations appearing in the yellow sheets on the trade date of such sales	E23

DEFENDANTS' EXHIBITS

<u>Exhibit Number</u>	<u>Description of Exhibit</u>	<u>Appendix of Exhibits Page Number</u>
A	Excerpts from Moody's Industrial Manual in or about July, 1974, obtained by Mrs. Grupe from Buffalo Public Library, with respect to Allegheny Beverage Corp. (3 pages)	E34 /
B	Same with respect to Arwood Corp.	E37
C	Same with respect to Inflight Services, Inc. (2 pages)	E38
D	Same with respect to Monroe Group, Inc. (2 pages)	E40
E	Same with respect to DWG Corp. (3 pages)	E42
F	Same with respect to Applied Data Research, Inc.	E45
G	Same with respect to Technical Operations, Inc.	E46
H	Same with respect to Nortek, Inc. (2 pages)	E47

I need to be doing
she called & paid
leave as is will do
m

E 1

GRUPE, BERNICE C. MRS.

225 IRVING STREET

LOCKPORT, N.Y. 14094

351 Evans St "A"

Williamsville, N.Y.

S.S.# 126-12-3841

CUSTOMER'S NAME AND MAILING ADDRESS

JOHN LAMULA INVESTORS, INC.

Report of new account

PLEASE FILL IN, SIGN AND RETURN

CASH



BUSINESS
ADDRESS

FIRM NAME

PHONE

TYPE OF BUSINESS

POSITION

HOME

ADDRESS

PHONE

CITIZEN OF

U.S.

OVER 21 YEARS OF AGE?

DATE

INTRODUCED BY

SALESMAN

John Lamula

WITNESS

SIGNATURE

X

Bernice C. Grupe

(OVER)

USA 33a-476
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

FPI-MI-9-24-75-50M-4417

006 1 2
9/5/75 Y

REFERENCES _____

_____DUPLICATE TO _____

_____ADDRESS FOR REGISTRATION
OF SECURITIES _____DIVIDENDS AND CREDIT BALANCES _____ HOLD ☐ _____ SEND DIRECT ☐ _____ SEND TO BANK ☐SECURITIES _____ HOLD ☐ _____ SEND DIRECT ☐ _____ SEND TO BANK ☐SPECIAL INSTRUCTIONS _____

May 30, 1974

(26 15 - 2)
9/8/15 Q

RECEIVED FROM MRS. BERNICE C. GRUPE

CHECK IN THE SUM OF \$99,804.45 Dated May 30, 1974

Certified - The Bank of New York - Albany, N.Y. no 920862

Received by

Minnie V. K...
Ray T. K...

JOHN LAMULA INVESTORS, INC.

INVESTMENTS

116 JOHN STREET

NEW YORK, N. Y. 10038

Members: New York Security Dealers Association

REctor 2-7290-1-2

MRS. BERNICE C. GRUPE
351 EVANS STREET "A"
TO WILLIAMSVILLE, N.Y. 14094USA 33a - 475
(ED. 4-23-71)EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

PH. #15

FPI-MI-9-24-75-SOM-4417

206 18-A 12
9/8/75 14

Mrs. Bernice C. Grupe
351 Evans Street
Williamsville. N.Y. 11421

E 4

	<u>INCOME</u>	<u>Interest Dates</u>	<u>Total</u>
\$20,000. Arwood Corp. 4 5/8%	6/15 \$462.50 12/15 462.50		\$ 925.00
\$15,000. Nortek Inc. 6-88	6/15 450.00 12/15 450.00		900.00
\$20,000. D.W.G. Corp. 5 1/2%/94	7/15 550.00 1/15 550.00		1,100.00
\$30,000. Allegheny Bev. 6 1/4/88	8/1 937.50 2/1 937.50		1,875.00
\$15,000. Technical Operations 8-85	2/1 600.00 8/1 600.00		1,200.00
\$5,000. Monroe Group 7 7/8-84	2/1/ 196.87 8/1 196.88		393.75
\$20,000. Inflight Services 6/89	3/1/ 600.00 9/1/ 600.00		1,200.00
\$20,000. Lincoln Mortgage 8-90	3/15 800.00 9/1 5 800.00		1,600.00
\$20,000. Applied Data Research 6-83	5/15/ 600.00 Nov. 15 500.00		1,200.00
\$5,000. Knight Industries 7 3/8-83	12/1 184.38 6/1 184.38		368.75
Yearly income			\$ 10,762.50

USA 33a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

PH # 18A

AMT

10,800.00
17,700.00
11,850.00
3,050.00
8,200.00
11,200.00
13,000.00
7,950.00
10,000.00
2,950.00

26,700.00

INT

415.56
625.00
400.00
131.25
300.00
337.78
53.33
415.00
426.53

3,104.45

26,700.00
3,104.45

TOTAL

11,215.56
18,325.00
12,250.00
3,181.25
8,500.00
11,537.78
13,053.33
8,365.00
10,426.53
2,950.00

26,700.00

INCOME

1,100.00
1,275.00
1,200.00
393.75
1,200.00
1,600.00
1,200.00
900.00
925.00
368.75

10,762.50

E 5

USA 33a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

Plf #20

FPI-NI-9-24-75-50M-4417

JOHN LAMULA INVESTORS, INC.

INVESTMENTS

116 JOHN STREET

NEW YORK, N. Y. 10038

Members: New York Security Dealers Association

Blotter 2-7280-1.2

INT	NAME OF CO	%	YR DUE	PAYMENT DAYS	PRICE	AMT.	INT	TOTAL COST	YEARLY INCOME	REMARKS
20M	DW C.	5 1/2	94	J+J 15	54	= 10,800	415.56	11,215.56	1100.-	INT PAYMENTS JAN-15- 550.- JULY-15- 550.-
30M	Allegany P. Co.	6 1/4	88	F+R 1	59	= 17,700	625.-	18,325.-	1875.-	FEB-1- 937.50.- AUG-1- 937.50.-
15M	Lock Co.	8	85	F+R 1	79	= 11,850	400.-	12,250.-	1200.-	FEB-1- 600.- AUG-1- 600.-
5M	Miner Hamp.	7 7/8	84	F+R 1	61	= 3,050	131.25	3,181.25	393.75	FEB-1- 196.87 AUG-1- 196.88
20M	Inflect Hew.	6	89	M+S 1	41	= 8,200	300.-	8,500.-	1200.-	MARCH-1- 600.- SEPT-1- 600.-
20M	Lincoln Mfg. Co.	8	90	M+S 15	56	= 11,200	337.78	11,537.78	1600.-	MARCH-1- 800 SEPT-1- 800
20M	Appel Co.	6	83	M+H 15	65	= 13,000	53.33	13,053.33	1200.-	MAY-15- 600 NOV-15- 600
15M	North Co.	6	88	J+D 15	53	= 7,950	415.-	8,365.-	900.-	JUNE-15- 450 DEC-15- 450
20M	United Co.	4 7/8	87	J+D 15	50	= 10,000	426.53	10,426.53	925.-	JUNE-15- 462.50 DEC-15- 462.50
5M	United Co.	7 3/8	83	J+D 1	59	= 2,950	-	2,950.-	368.75	JUNE-1- 184.37 DEC-1- 184.38
170						96,700.-	3104.45	99,804.45	10,762.50	11.75% ADV. INCOME ON INVESTMENT

TELEPHONE RECTOR 2-7290

STATEMENT

JOHN LAMULA INVESTORS, INC.

130 WILLIAM STREET

NEW YORK 38, N. Y.

AF 22 2d
9/8/75

E 7

6/3/74 Trade Date
6/10/74 Sett1 "

Mrs. Bernice C. Grupe
351 Evans Street A
Williamsville. N.Y. 11421

Any free credit Balance represents funds payable upon demand which, although properly accounted for on our book of record, are not segregated and may be used in the conduct of this firm's business.

- ☐ YOU ARE LONG
☐ YOU HAVE DEBITED

- ☐ YOU ARE SHORT
☐ YOU HAVE CREDITED

SHARES	DESCRIPTION	AMOUNT
5 M	Technical Operations 8-85	\$ 4136.67
USA 33a - 475 (ED. 4-23-71) EXHIBIT U. S. DIST. COURT S. D. OF N. Y. AF #22 FPI-MI-9-24-75-50M-4417		

SHARES	DESCRIPTION	AMOUNT
	INTEREST CHARGED YOU	\$ 286.67
Note- Interest to be deducted by your accountant when filing 1974 return.		

Mrs. Bernice C. Grays
391 Evans Street
Williamsville, N.Y. 11421

NAME	Interest Dates	Amount
\$20,000. Arased Corp. 4 5/84	6/15 1974 12/15 1974	4,000.00
\$15,000. Nortek Inc. 6-83	6/15 1983 12/15 1983	3,000.00
\$20,000. D.W.C. Corp. 5 1/84	7/15 1984 1/15 1985	4,000.00
\$30,000. Allegheny Rev. 6/83	6/1 1983 6/1 1984	6,000.00
\$15,000. Technical Operations 8-85	7/1 1985 8/1 1985	3,000.00
\$5,000. Monroe Group 7 7/8-84	7/1 1984 8/1 1984	1,000.00
\$10,000. Inflight Services 6/89	3/1 1989 3/1 1990	2,000.00
\$20,000. Lincoln Mortgage 8-83	3/1 1983 3/1 1984	4,000.00
\$20,000. Applied Data Research 6-83	5/1 1983 5/1 1984	4,000.00
\$5,000. Knight Industries 3/8-83	12/1 1983 6/1 1984	1,000.00
	Yearly Income	\$ 10,762.50
\$5,000. Technical Operations 8-85	8/1 1985 2/1 1986	400.00
	Yearly Income - - -	\$ 11,162.50

CR	CO	LC	DUE	DAYS	PRICE	M	11	10	15	10000
20M	DWG.	5 1/2	94	J+D 15	54	=	16,800	4,155.6	11,215.56	1100. -
30M	Alkyd B.	6 1/4	88	F+R 1	59	=	17,700	625 -	18,325 -	1875. -
15M 5M	Loch Cape	8	85	F+R 1	79	=	11,850 38,500.00	4000 286.67	12,250. 41,366.67	1200. - 400 1600
5M	Mineral Thump.	7 1/2	84	F+R 1	61	=	3050	131.25	3181.25	393.75
20M	Grey Gloss	6	89	M+S 1	41	=	8200	300. -	8500. -	1200. -
20M	Imperial Grey Gloss	8	90	M+S 15	56	=	11200	337.72	11537.72	1600. -
20M	Applied White	6	83	M+H 15	65	=	13000	5333	13053.33	1200. -
15M	Applied White	6	88	J+D 15	53	=	7950	415. -	8365. -	900. -
20M	Unseeded	4 1/2	87	J+D 15	50	=	10000	426.53	10426.53	925. -
5M	Unseeded	7 1/2	83	J+D 1	59	=	2950	-	2950. -	368.75
170							96,700 3850	3104.45 286.67	99804.45 4136.67	14,762.50 400.00
							100,500	3451.12	104001.12	11,162.50

Plaintiff
EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

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DATE	AMOUNT	DESCRIPTION	PRICE	DEBITS	DATE	AMOUNT	DESCRIPTION	PRICE	CREDITS
May 31	19.5	Inflight Mtn 6-89	44	8500	May 30	-	Check		9980.44
May 31	7.1	Monroe Group 4 7/8 84	61	218.00	June 1	-	Check		4500
May 31	13.2	Knights Ind	79	1400	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
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May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59	1800	June 1	-	Check		4500
May 31	20.0	Applied Data 6-80	59	1800	June 1	-	Check		4500
May 31	20.0	Lincoln Mtg Inv 8-80	59	1800	June 1	-	Check		4500
May 31	20.0	Seaboard Coast Line	59						

30M Allegheny Beverage Corp.

Sales Price to Mrs. Grupe - 59

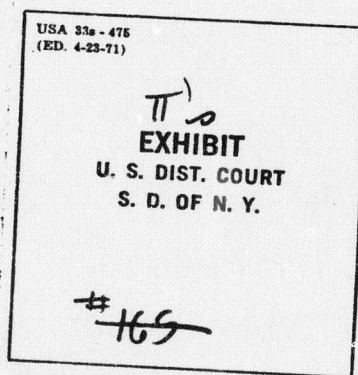
E 11

	Order Ticket	Yellow Sheet Listings				
	Quotes on 5/23	5/21	5/22	5/23	5/24	
Murphy and Durieu	55-59	44-49	43-48	42-47	42-47	
Wechsler and Krumholz	53-57	None	44-48	44-49	44-49	
Carl Marks and Co.	55-60	45-50	42-47	42-47	42-47	
John Lamula Investors	53 -	43-48	None	42-48	None	

John Lamula Investors purchased 20 debentures on 5/29 for 51.

John Lamula Investors purchased 10 debentures on 4/10 for 47.

Plaintiffs
165



20M D.W.G. Corp.

Sales Price to Mrs. Grupe - 54

E 12

	Order Ticket	Yellow Sheet Listings			
	Quotes on 5/23	5/21	5/22	5/23	5/24
Wechsler and Krumholz	52-55	None	None	None	None
Murphy and Durkin	52-55	None	None	None	None
John Lamula Investors		None	None	None	None

John Lamula Investors purchased 2⁷ debentures on 4/2 for 48.

20 M Applied Data Research

E 13

Sales Price to Mrs. Grupe - 65

	Order Ticket Quotes on 5/23	Yellow Street Listings			
		5/21	5/22	5/23	5/24
Murphy and Dorrell	55-65	None	None	None	None
Wechsler and Krumholz	57-65	None	None	None	None
John Lamulz Investors		55-65	None	55-	None

John Lamulz Investors purchased 10 debentures on 4/8 for 52.

John Lamulz Investors purchased 10 debentures on 5/10 for 57.

20 M Atwood Corp.

E 14

Sales Price to Mrs. Grupe - 50

	Order Ticket Quoted on 5/23	Yellow Sheet Listings			
		5/21	5/22	5/23	5/24
Murphy and Dierke	45-50	43-47	None	42-46	42-46
Wechsler and Krumholz	46-51	None	None	None	None
John L. Hult's Investors		None	44-50	None	40-

John L. Hult's Investors purchased 20 debentures on 5/29 for 47.

20 M Inflight Services

E 15

Sales Price to Mrs. Grupe - 41

	Order Ticket	Yellow Sheet Listings			
	Quotes on 5/23	5/21	5/22	5/23	5/24
Wechsler and Krumholz	36-41	28-31	28-31	27-30	27-30
Murphy and Durick	38-42	28-30	28-30	28-30	28-30
John G. Mula Investors		27-33	None	26-	None

John G. Mula Investors purchased 20 debentures on 5/29 for 38.

5M Knight Industries

E 16

Sales Price to Mrs. Grupe - 59

	Order Ticket	Yellow Sheet Listings			
	Quoted 5/23	5/21	5/22	5/23	5/24
Advest	54-59	None	None	None	None
Murphy and Dorien	55-60	None	None	None	None
John Lamula Investors		None	50-	None	55-

John Lamula Investors purchased 5 debentures on 5/29 for 53.

20M LINCOLN Mortgage Investors

E 17

Sales Price to Mrs. Grupe - 56

	Order Ticket Quoted on 5/23	Yellow Sheet Listings			
		5/21	5/22	5/23	5/24
Murphy and Dioreu	52-56	None	None	None	None
Wechsler and Krumholz	53-58	None	None	None	None
Wagonseller and Drost	52-57	40-50	40-50	40-50	40-50
John Lamula Investors		None	40-48	None	40-48

John Lamula Investors purchased 19 debentures on 5/29 for 51.

15 M Nortek Inc.

E 18

Sales Price to Mrs. Grupe - 53

	Order Ticket Quotes on 5/23	Yellow Sheet Listings			
		5/21	5/22	5/23	5/24
Wechsler and Krumholz	48-53	38-42	38-42	None	None
Murphy and Durieu	48-53	None	None	45-50	45-50
John Lamula Investors		37-43	None	44-	None

John Lamula Investors purchased 20 debentures on 5/29 for 44.

15 M Technical Operations

E 19

Sales Price to Mrs. Grupe - 79

	Order Ticket	Yellow Sheet Listings			
	Quoted on 5/23	5/21	5/22	5/23	5/24
Wechsler and Krumholz	73-79	70-74	69-73	69-73	69-73
Murphy and Durieu	75-80	68-72	68-72	67-71	67-71
Allen	74-79	None	None	None	None
John Lima Investors		68-74	None	68-	None

John Lima Investors purchased 15 debentures on 5/29 for 75.

5M Technical Operations

E 20

Sales Price to Mrs. Grupe - 79

	Order Ticket	Yellow Sheet Listings		
	Quoted on 6/3	6/3	6/4	6/5
Wechsler and Knochholz	74-80	None	None	None
Murphy and Devine	76-81	67-72	68-72	68-72
John Lamula Investors		68 -	None	68 -

John Lamula Investors purchased 6 debentures on 6/3 for 70.

5M Monroe Group

E 21

Sales Price to Mrs. Gouge - 61

	Order Ticket	Yellow Sheet Listings			
	Quoted on 5/23	5/21	5/22	5/23	5/24
Wechsler and Krumholz	55-60	None	None	None	None
Doyle	56-61	None	None	None	None
John Gouge Investors		None	50-	None	50-

John Gouge Investors purchased 5 debentures on 5/29 for 53.

10M Elco Corp.

Sales Price to Mrs. Gruye - 46

E 22

	Order Ticket Quoted on 7/10	7/10	Yellow Sheet Listings 7/11	7/12
Wechsler and Krumholz	44-48	None	None	None
Murphy and Dorian	42-47	39-43	37-42	35-40
John Lamula Investors		40-46	38-46	None

John Lamula Investors purchased 15 debentures on 6/6 for 42.

Allegheny Beverage Corp.

E 23

L.F. Rothschild sold 30 bonds at \$330 a piece on 8/6

Market-Makers	Bid	Yellow Sheets for 8/6 Ask
Wechsler and Kuenholz	\$340	\$390
Kalb Voorhis + Co.	None	\$430
Carl Marks + Co.	\$330	\$390
Murphy and Durkin	\$340	\$390
Carr Sees Corp.	\$350	\$390

USA 33a - 475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

Att. #166

D. W. G. Corp.

E 24

*Closest dates available
to 8/6/74

L.F. Rothschild sold 5 bonds at \$440 a price on 8/6
L.F. Rothschild sold 5 bonds at \$430 a price on 8/6
L.F. Rothschild sold 10 bonds at \$410 a price on 8/7

Market Maker

Yellow Sheets for 4/30/74 and 12/31/74*

Kilb Voorhis & Co 4/30

Bid

\$450

Ask

\$490

Wechsler and Knechtel 12/31

\$390

\$420

Applied Data Research

E 25

L.F. Rothschild sold 20 bonds at \$55 a piece on 8/6

Market Maker

Yellow Sheet for 8/6
Bid Ask

John Lamela Investors

\$500

\$600

Ar Wood Corp.

E 26

L.F. Rothschild sold 20 bonds at \$450 a piece on 8/6.

Market Maker

Bid Yellow Sheet for 8/6
Ask

John Lamela Investor

None

\$510

Inflight Services

E 27

L.F. Rothschild sold 20 bonds at \$240 a piece on 8/6

Market Makers	Yellow Sheet for 8/6	
	Bid	Ask
Wheeler and Krumholz	\$250	\$280
Holly Sees Inc.	None	\$350
John Gamble & Twersky	\$220	None

Knight Industries

E 28

L.F. Rothschild sold 5 bonds at \$480 1/2 price on 8/6.

Market Maker

Bid Yellow Sheet for 8/6
Ask

John Lamula Investors

\$480

None

Lincoln Mortgage Investors

E 29

L.F. Rothschild sold 20 bonds at \$290 a piece on 8/6.

Market Maker

Yellow Sheet for 8/6
Bil Ask

John Lamula Investor

\$300

Nine

Nortek Inc.

E 30

L.F. Rothschild sold 15 bonds at \$410 a piece on 8/6.

Market Maker

Yellow Sheet for 8/6
Bid Ask

Kidder Peabody & Co.

\$440

\$470

Technical Operations

E 31

L.F. Rothschild sold 20 bonds at \$610 a piece on 8/6.

Market Maker	Yellow Sheet for 8/6	
	Bid	Ask
Kaufmann Alsherg & Co.	\$610	\$660
Financial House Inc.	\$630	None
John L. Grant Investor	None	\$700

Monroe Group

E 32

L.F. Rothschild sold 5 bonds at \$380 a piece at 8/6.

Market Maker

Bid

Yellow Sheet for 8/6
Ask

John Canale Investors

\$400

\$480

ELCO Corp.

E 33

L.F. Rothschild sold 10 bonds at \$300 a piece on 8/6.

Market Maker	Bid	Yellow Sheet for 8/6 Ask
Murphy and Durieu	\$300	\$350
John G. Mula Investors	\$280	\$330

Int.	10,000	10,000
Res.	381,843	90,000
Surplus (10.05) ..	61,181	62,791
Surplus ..	3,692,443	3,703,720
Retained earnings ..	dr143,996	3,030,494
Debt: Aerodex, Inc., convertible ..	\$21,890,294	\$32,425,805
Debt: com. sh. ..	\$9,649,916	\$5,942,983
Debt: com. sh. ..	\$7,583,175	\$12,991,806

Term Debt: Outstg. Dec. 31, 1971, comprised of:

- 1988-98 bank loans due to Apr. 1, 1973
- 1974 accrued interest bank loans due
- 1975 6% debentures due Dec. 31, 1975
- 1976 6% mortgage loan;
- 1977 6% to 13% other debt.

Debt: Aerodex, Inc., convertible

1975-1976: 1975-1976, due 1987: \$10,000,000; outstg., \$2,085,000.

1977-1978: 1977-1978, due 1987: \$10,000,000; outstg., \$2,085,000.

1979-1980: 1979-1980, due 1987: \$10,000,000; outstg., \$2,085,000.

1981-1982: 1981-1982, due 1987: \$10,000,000; outstg., \$2,085,000.

1983-1984: 1983-1984, due 1987: \$10,000,000; outstg., \$2,085,000.

1985-1986: 1985-1986, due 1987: \$10,000,000; outstg., \$2,085,000.

1987-1988: 1987-1988, due 1987: \$10,000,000; outstg., \$2,085,000.

1989-1990: 1989-1990, due 1987: \$10,000,000; outstg., \$2,085,000.

1991-1992: 1991-1992, due 1987: \$10,000,000; outstg., \$2,085,000.

1993-1994: 1993-1994, due 1987: \$10,000,000; outstg., \$2,085,000.

1995-1996: 1995-1996, due 1987: \$10,000,000; outstg., \$2,085,000.

1997-1998: 1997-1998, due 1987: \$10,000,000; outstg., \$2,085,000.

1999-2000: 1999-2000, due 1987: \$10,000,000; outstg., \$2,085,000.

2001-2002: 2001-2002, due 1987: \$10,000,000; outstg., \$2,085,000.

2003-2004: 2003-2004, due 1987: \$10,000,000; outstg., \$2,085,000.

2005-2006: 2005-2006, due 1987: \$10,000,000; outstg., \$2,085,000.

2007-2008: 2007-2008, due 1987: \$10,000,000; outstg., \$2,085,000.

2009-2010: 2009-2010, due 1987: \$10,000,000; outstg., \$2,085,000.

2011-2012: 2011-2012, due 1987: \$10,000,000; outstg., \$2,085,000.

2013-2014: 2013-2014, due 1987: \$10,000,000; outstg., \$2,085,000.

2015-2016: 2015-2016, due 1987: \$10,000,000; outstg., \$2,085,000.

2017-2018: 2017-2018, due 1987: \$10,000,000; outstg., \$2,085,000.

2019-2020: 2019-2020, due 1987: \$10,000,000; outstg., \$2,085,000.

2021-2022: 2021-2022, due 1987: \$10,000,000; outstg., \$2,085,000.

2023-2024: 2023-2024, due 1987: \$10,000,000; outstg., \$2,085,000.

2025-2026: 2025-2026, due 1987: \$10,000,000; outstg., \$2,085,000.

2027-2028: 2027-2028, due 1987: \$10,000,000; outstg., \$2,085,000.

2029-2030: 2029-2030, due 1987: \$10,000,000; outstg., \$2,085,000.

2031-2032: 2031-2032, due 1987: \$10,000,000; outstg., \$2,085,000.

2033-2034: 2033-2034, due 1987: \$10,000,000; outstg., \$2,085,000.

2035-2036: 2035-2036, due 1987: \$10,000,000; outstg., \$2,085,000.

2037-2038: 2037-2038, due 1987: \$10,000,000; outstg., \$2,085,000.

2039-2040: 2039-2040, due 1987: \$10,000,000; outstg., \$2,085,000.

2041-2042: 2041-2042, due 1987: \$10,000,000; outstg., \$2,085,000.

2043-2044: 2043-2044, due 1987: \$10,000,000; outstg., \$2,085,000.

2045-2046: 2045-2046, due 1987: \$10,000,000; outstg., \$2,085,000.

2047-2048: 2047-2048, due 1987: \$10,000,000; outstg., \$2,085,000.

2049-2050: 2049-2050, due 1987: \$10,000,000; outstg., \$2,085,000.

2051-2052: 2051-2052, due 1987: \$10,000,000; outstg., \$2,085,000.

2053-2054: 2053-2054, due 1987: \$10,000,000; outstg., \$2,085,000.

2055-2056: 2055-2056, due 1987: \$10,000,000; outstg., \$2,085,000.

2057-2058: 2057-2058, due 1987: \$10,000,000; outstg., \$2,085,000.

2059-2060: 2059-2060, due 1987: \$10,000,000; outstg., \$2,085,000.

2061-2062: 2061-2062, due 1987: \$10,000,000; outstg., \$2,085,000.

2063-2064: 2063-2064, due 1987: \$10,000,000; outstg., \$2,085,000.

2065-2066: 2065-2066, due 1987: \$10,000,000; outstg., \$2,085,000.

2067-2068: 2067-2068, due 1987: \$10,000,000; outstg., \$2,085,000.

2069-2070: 2069-2070, due 1987: \$10,000,000; outstg., \$2,085,000.

2071-2072: 2071-2072, due 1987: \$10,000,000; outstg., \$2,085,000.

2073-2074: 2073-2074, due 1987: \$10,000,000; outstg., \$2,085,000.

2075-2076: 2075-2076, due 1987: \$10,000,000; outstg., \$2,085,000.

2077-2078: 2077-2078, due 1987: \$10,000,000; outstg., \$2,085,000.

2079-2080: 2079-2080, due 1987: \$10,000,000; outstg., \$2,085,000.

2081-2082: 2081-2082, due 1987: \$10,000,000; outstg., \$2,085,000.

2083-2084: 2083-2084, due 1987: \$10,000,000; outstg., \$2,085,000.

2085-2086: 2085-2086, due 1987: \$10,000,000; outstg., \$2,085,000.

2087-2088: 2087-2088, due 1987: \$10,000,000; outstg., \$2,085,000.

2089-2090: 2089-2090, due 1987: \$10,000,000; outstg., \$2,085,000.

2091-2092: 2091-2092, due 1987: \$10,000,000; outstg., \$2,085,000.

2093-2094: 2093-2094, due 1987: \$10,000,000; outstg., \$2,085,000.

2095-2096: 2095-2096, due 1987: \$10,000,000; outstg., \$2,085,000.

2097-2098: 2097-2098, due 1987: \$10,000,000; outstg., \$2,085,000.

2099-2100: 2099-2100, due 1987: \$10,000,000; outstg., \$2,085,000.

Chemical Bank, New York.

MINISTRATION—Fully registered, \$1,000,000; outstg., \$2,085,000.

ABLE—As a whole or in part on or Nov. 30, 1969 on at least 30 days' notice

Nov. 30, incl., as follows:

1971	105.40	1972	105.04
1973	104.68	1974	104.32
1975	103.60	1976	103.24
1977	102.52	1978	102.16
1979	101.44	1980	101.08
1981	100.36	1982	100.00

callable for sinking fund (which see)

ING FUND—Annually, on or before Nov. 30, 1972-87, to retire debts, cash equal to \$187,500.

NTY—Not secured; subordinated to debt.

RTIBLE—Into com. at any time (if not on or before 3rd day prior to redemption date) at \$22.25 a sh. No adjustment for interest or divs. Cash paid in fractional shs. Conversion privilege against dilution.

END RESTRICTION—Co. may not cash divs. on or acquire capital stock in excess of consolidated net income after Dec. 31, 1967 plus net proceeds from sale of assets after Jan. 1, 1968 plus \$500,000.

TS ON DEFAULT—Trustee, or 25% of outstg. may declare principal due and (30 days' grace for payment of interest sinking fund installment).

UTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts. outstg.

USE—Proceeds for general purposes.

RED—(\$3,000,000) at 100 (proceeds to Bear Stearns and associates.

PRICE RANGE—1972 1971 1970

High	26	40	70
Low	10	15	27

Capital Stock: Aerodex, Inc. common; par \$1.

4,000,000 shs.; outstg., 1,223,665 shs.; reserved for options, 100,000 shs.; reserved conversion of debentures, 93,726 shs.; one vote per sh. with non-cumulative for directors. No preemptive rights. Transfer Agents & Registrars: Chemical Bank, N.Y.C. First National Bank, Miami.

1972: (300,000 shs.) at \$20.75 a sh. on Dec. 31, 1971 thru Bear Stearns & Co. and associates. Proceeds of 100,000 shs. for company.

1973: On ASE (Symbol: AOX).

Schwaber, Sec. and Asst. Treas.; Paul Jarvie, Vice-Pres.; Jane Wolosyn, Asst. Vice Pres.

Directors: William Gross, Alex Gross, Sam Gross, J. L. Dampeer, C. R. Holton, Jr.

Auditors: Price Waterhouse & Co.

General Counsel: Thompson, Hine and Flory.

Office: 931 Summit St., Niles, O. 44446.

Consolidated Income Account, years ended

	1972	1971
Net sales	\$7,731,969	\$3,766,830
Cost of sales	7,125,566	3,548,928
Gross profit	606,403	217,902
Deferred gain	426,254	85,533
Time chgs. earn.	58,520	58,754
Other income	579,280	891,189
Total income	977,949	1,584,674
Sell. etc., exp.	1,687,438	457,156
Interest	469,018	1,150,641
Net loss	1,178,507	450,66
Earn., com. share ..	450,68	1,738,690
No. of com. shares ..	1,38,690	

As reported on aver. shs.

Consolidated Balance Sheet, as of June 30:

	1972	1971
Assets:		
Cash	\$85,635	\$40,429
Receivables, net	2,568,811	1,806,543
Houses & land, net ..	2,073,393	1,462,884
Inventories	1,659,891	1,806,211
Prepayments	110,397	122,994
Total current	\$6,498,127	\$5,239,061
Net prop., etc.	1,692,830	1,943,733
Investments	1,359,774	1,678,332
Total	\$9,550,731	\$8,861,126
Liabilities:		
Notes, etc., payable ..	\$2,934,054	\$2,947,949
Accounts payable	1,147,803	457,868
Customer contr. dep. ..	231,201	267,209
Income taxes, etc.	239,481	201,361
Total current	\$4,552,539	\$3,874,387
Long term debt	4,221,963	3,296,237
Def. income taxes	20,000	20,000
Deferred gain	266,254	
Common	91,962	91,962
Capital surplus	4,626,241	4,626,241
Deficit	4,228,228	3,049,721
Total	\$9,550,731	\$8,861,126
Net current assets	\$1,945,588	\$1,364,674
Net tang. com. sh.	\$0.28	\$0.96
Depreciation	\$988,475	\$984,058
Lower cost (LIFO) or mkt.	\$1,738,690	no par shs.

Long Term Debt: 1. Albee Homes, Inc., convertible subordinated debentures \$5, due 1982: AUTHORIZED—\$5,000,000; outstanding, \$3,131,000.

DATED—Jan. 1, 1962.

MATURITY—June 30, 1982.

INTEREST—J30&D31 at National City Bank, Cleveland.

TRUSTEE—Society National Bank, Cleveland.

DENOMINATION—Coupon, \$1,000; registered.

ABLE—As to principal; fully registered, \$1,000 and multiples. C & R interchangeable.

CALLABLE—As a whole or in part on at least 30 days' notice at any time to each June 30, incl., as follows:

1972	102 1/4	1973	102 1/4	1974	101 1/4
1975	101 1/4	1976	101 1/4	1977	101 1/4
1978	101 1/4	1979	100 3/4	1980	100 3/4
1981	100 3/4	1982	100		

SINKING FUND—Each June 30, 1967-81, \$250,000 to redeem debentures at par; plus similar optional payments.

CONVERTIBLE—Into common to maturity (or prior redemption) at following prices per share to each June 30: 1965, \$23.809; 1970, \$25.238; 1975, \$27.143; 1980, \$29.524; 1982, \$32.380; no adjustments for interest or dividends; cash paid in lieu of fractional shares. Conversion privilege protected against dilution.

SECURITY—Not secured, subordinated to senior debt, other than senior subordinated 6% guaranteed notes due 1973.

DIVIDEND RESTRICTIONS—Company may not pay cash dividends or acquire capital stock in excess of consolidated net income after Dec. 31, 1961, plus \$250,000 and net proceeds of sale of stock, junior debt or debt converted in stock after such date; also agrees to maintain senior debt at not greater than twice junior debt plus net equity worth. At June 30, 1969, there were no retained earnings free of restriction under this provision.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

PURPOSE—Proceeds for financing.

OFFERED—(\$5,000,000) at 100 (proceeds to company, 96 1/2%) on May 11, 1962 by G. H. Walker & Co., Inc., New York, and associates.

PRICE RANGE—1972 1971 1970

High

Low

Other Debt:

12% note payable

9% mortgage note

8% note payable

The 12% note payable calls for three monthly payments of \$50,000 commencing on Aug. 13, 1971 with balance repayable thereafter in fifteen monthly installments of \$35,000. At time note was executed, Co. pledged

\$1,370,000 face amount of first mortgage notes receivable and must continue to pledge 200% of the outstanding balance of note payable as collateral security or alternately make additional principal payments. In addition, this note is personally guaranteed by the three principal officers and stockholders.

The 9% mortgage note payable is secured by first mortgages on Company's manufacturing plant and corporate offices and on three of the Company's model home properties and is also personally guaranteed by the three principal officers and stockholders of Company. Repayment terms call for monthly payments of \$10,043 (including interest) for a period of five years with balance due on Sept. 1, 1976.

Company is required to make sinking fund payments of \$250,000 annually through 1981 with the balance payable in 1982, on the 5% convertible subordinated debentures (see No. 1, above). At June 30, 1972 company had acquired \$19,000 principal amount of debentures for future sinking fund payments. Debentures are convertible at their principal amount into com. shs. under a schedule of increasing prices and at June 30, 1972 was \$27.15 per share and 123,862 com. shs. were reserved.

The agreements and indentures covering the debt contain covenants as to the maintenance of debt ratios, equity capital, restrictions with respect to payment of cash dividends and anti-dilution provisions.

Capital Stock: Albee Homes, Inc. common; no par:

AUTHORIZED—5,000,000 shares; outstanding, June 30, 1972, 1,738,690 shs.; reserved for conversion of debentures, 123,862 shs.; reserved for options, 50,000 shs.; reserved for warrants, 22,809 shs.; in treasury, 100,545 shs.; no par.

No par shares split 2-for-1 Nov. 10, 1961.

DIVIDENDS—(Since public offering) initial dividend of 5 cents and 5% in stock paid Nov. 9, 1962; 1963 to 1965, 5 cents, 1966-72, none.

VOTING RIGHTS—Has one vote per share, with right of cumulative voting for directors.

PREEMPTIVE RIGHTS—None.

TRANSFER AGENT AND REGISTRAR—National City Bank, Cleveland.

OFFERED—(172,500 shares) at \$16 a share (proceeds to company, \$14.70 a share) on Mar. 22, 1961 by G. H. Walker & Co., Inc., New York, and associates.

(150,000 shares) at \$21 a share on May 11, 1962 by G. H. Walker & Co., Inc., New York, and associates. Did not represent company financing.

TRADED—OTC.

PRICE RANGE—1972 1971 1970 1969 1968

High

Low

Warrants: Outstanding June 30, 1972 to purchase 22,809 common shares at \$7.90 a share on Nov. 1, 1973.

ALLEGHENY BEVERAGE CORP.

History: Incorporated in Maryland Dec. 21, 1966.

In Mar. 1967 acquired all series B common of Consolidated Bottling Co. for 25,000 common shares and subsequently purchased 24,650 common shares for \$15,994.

Acquired American Brewery, Inc. on Mar. 3, 1967 for 183,998 series B preferred shares and cash, now operated as a division.

On May 1, 1967, acquired assets of soft drink companies in New Orleans, Baton Rouge and Ponchatoula, La.

Sept. 30, 1967 acquired assets of soft drink company in McComb, Miss., now operated as division.

In Dec. 1968 acquired Fowler Products Co., Athens, Ga.

In May 1969 acquired all stock of Pepsi Cola Bottling Co. of Richmond, Va. for \$15,000,000 cash.

In Mar. 1970 merged Allegheny Pepsi-Cola Bottling Co. thru exchange of one Allegheny Beverage series C \$0.36 conv. pfd. sh. for cash Allegheny Pepsi-Cola Bottling Co. com.

In May, 1973, acquired Miami Tom's Sales, a subsidiary of General Mills Co., for undisclosed terms.

Unit To Sell Certain Operations—Write-Offs: In Dec. 1972 Co. said that it is negotiating to sell certain unprofitable activities of Value Vend Inc., subsidiary, and also that it will take related write-offs against 1972 earnings that "will not exceed \$8,500,000."

Harry Conn, Vice-Pres., said that the operations to be sold "were the research development organization" that went into Value Vend's machine franchise operations, but he declined to disclose the price or purchaser.

The Value Vend unit will write off previously deferred marketing development and financing expenses and reflect write downs and reserves related to vending machines and installment contracts. Co. said that it will also write-off by \$450,000 the book values of 2 real estate properties it intends to dispose of to reflect "realistic values."

Regardless of the progress of the plans to sell the related properties, Co. plans to take the write-offs.

USA 33e-475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. O. N. Y.

Def. A

SEC Suit: In May 1973, SEC filed suit in Federal Court, Washington, charging Co. and 2 subsidiaries, Valu Vend Credit Corp. and Valu Vend Inc., with securities-law violations. The SEC seeks to enjoin the defendants from further violations of various provisions of the securities laws, including antifraud and registration sections. The complaint also requests an injunction requiring Co. to correct certain reports filed with the SEC alleged to be false and misleading. The SEC also requested a court order requiring certain individuals to "disgorge" the profits from their public sale of Co. com. stock and to "disgorge" the proceeds received as interest and premiums resulting from the purchase of Valu Vend Credit & Co. Besides the companies, the defendants included M. M. Lapidès, Chmn. and Pres. of the 3 companies, H. J. Conn, A. J. Hering and W. W. Kane, officers, and 18 other defendants. The defendants are accused of failing to disclose to the SEC various adverse information about the companies. The suit also contended that various false and misleading statements in Co.'s filings with the SEC caused investors in Co. com. stock, pfd. stock and debts. and in Valu Vend Credit's debts. to be defrauded.

Business: Company produces soft drinks including Pepsi-Cola, Royal Crown Cola, Squirt, Hires, Mason's and Schweppes under franchise agreements, produces flavors and owns brewery at Baltimore which produces beer under name American beer. Also sells vending machines.

Property: Company and subsidiaries operate brewery in Baltimore, Md. with 125,000 sq. ft. of floor space and capacity of 250,000 bbls. annually, has bottling plants at Newport News, Va., Baltimore, Md. and Newville, Pa.

Also operates 9 distribution centers and has warehouse space in various locations in marketing areas. Owns 1,048 acres of land near Staunton, Va.

Subsidiaries: Allegheny Pepsi-Cola Bottling Co., Allegheny Mid-Atlantic Bottling Co., Fowler Products Co., Valu Vend, Inc., Allegheny Leasing & Financial Corp. (100% owned); Consolidated Bottling Co. (93% owned).

Officers

M. M. Lapidès, Chmn. & Pres.
W. W. Kane, Exec. Vice-Pres.
J. I. Abramson, Sen. Vice-Pres.

Vice-Presidents

C. H. Beach P. J. Gorman
H. J. Conn R. H. Heller
H. L. Fowler J. E. Lampe
J. M. Caplan B. E. Melchor, Jr.

A. J. Hering, Treasurer
B. E. Moore, Jr., Secretary
R. C. McGuire, Asst. Sec. & Asst. Treas.

Directors: J. I. Abramson, W. S. Finlayson, Jr., A. T. Schitz, H. J. Conn, W. W. Kane, M. M. Lapidès, Jack Norin, S. H. Green.

Auditors: Benjamin Botwinick & Co.
General Counsel: Wright, Robertson & Dowell.

No. of Stockholders: Dec. 31, 1971, 11,359.

No. of Employees: Dec. 31, 1969 (approx.) 1,500.

Office: 2216 N. Charles St., Baltimore, Md. 21215.

Consolidated Income Account, yrs. ended

	1971	1970
Net sales	\$72,771,000	\$51,490,000
Other income	670,000	546,000
Total	73,441,000	52,036,000
Cost of sales	42,820,000	30,991,000
Selling, etc. exp.	18,755,000	14,461,000
Depreciation	1,865,000	1,530,000
Interest, etc.	3,073,000	2,771,000
Income taxes	3,193,000	1,052,000
Equity earn.		1,035,000
Loss discount sub.		146,000
Extraord. items	\$49,000	\$1,000
Net income	3,276,000	1,121,000
Earn. com. sh.	\$0.92	\$0.31
No. of com. shares	2,760,131	2,664,353
Comprising: Net gain sale invests., etc., \$467,000; less \$307,000 net prov. for loss on invest. in & adv. to affil. co.; less \$159,000 for loss on fixed assets related to discount oper.		
Comprising: Loss on invest. and advances to affil. co's, \$189,000; prov. for judgment paymt. \$270,000. Equity in Allegheny Leasing & Financial Corp. [As reported on aver. shs. incl. com. sh. equiv. adj. for 3% stk. div. 3/71. (\$2,744,284 shs. adj.) for stk. div. \$1.05 before extraord. chg. \$0.75 (\$0.84 before extraord. chg.) on fully diluted basis.		

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1971	1970
Cash	\$387,000	\$1,003,000
Mkt. sec. cost	1,635,000	1,710,000
Receivables, net	7,620,000	3,133,000
Inventories	4,990,000	3,537,000
Prepayments	1,622,000	389,000
Total current	\$16,254,000	\$9,772,000
Net prop., etc.	21,092,000	17,221,000
Inv. Allegh. Leas.		655,000
oth. sec. cost		688,000

Note receivable	15,607,000	
Unam. fin. chgs.	1,070,000	1,176,000
Other assets	2,552,000	1,081,000
Intangibles	18,694,000	18,688,000
Total	\$75,269,000	\$49,481,000
Liabilities:		
Notes, etc. pay.	\$8,218,000	\$2,973,000
Accts., etc., pay.	7,036,000	4,964,000
Income taxes	228,000	121,000
Total current	\$15,482,000	\$8,058,000
Long term debt	35,476,000	25,802,000
Def. inc. taxes	3,158,000	704,000
Unearn. fin. chgs.	3,875,000	
Deferred income	25,000	28,000
Pfd. stk. (\$1)	260,000	260,000
Pfd. B stk. (\$1)	15,000	47,000
Pfd. C stk. (\$1)	399,000	486,000
Com. stk. (\$1)	2,760,000	2,664,000
Paid-in surplus	9,672,000	9,957,000
Retained earnings	4,147,000	1,475,000
Total	\$75,269,000	\$49,481,000
Net current assets	\$772,000	\$1,914,000
Depreciation	\$9,290,000	\$8,548,000
Lower cost (princ. filio) or mkt.		At equity.

Debt: Debt 1. Allegheny Pepsi-Cola Bottling Co. subordinated sinking fund debt 6 1/4%, due 1977.

Rating—A

AUTHORIZED:—\$4,500,000; outstanding, Dec. 31, 1971, \$2,970,000.

DATED: June 1, 1962.

MATURITY:—June 1, 1977.

INTEREST:—J&D1 at office of trustee and in Baltimore.

TRUSTEE:—First National Bank, Baltimore.

DENOMINATION:—Coupon, \$500 and \$1,000; registrable as to principal.

CALLABLE:—As a whole or in part on at least 30 days' notice at any time to each June 1, as follows:

1974.... 101 1975.... 100% 1977.... 100
Also callable at 100 for sinking fund (which sec).

SINKING FUND:—Cash (or debentures) semi-annually beginning June 1, 1968, to retire \$112,500 debentures at par.

SECURITY:—Not secured; subordinated to senior debt.

CREATION OF LONG TERM DEBT:—Company will not permit any subsidiary, except Beverage Capital Corp., to issue debt other than to company or to other secured by purchase money mortgages or except debt of subsidiary outstanding at time of acquisition. Additional debentures or equal or prior debt may not be issued unless (1) net income for 4 consecutive quarters of 5 preceding equals at least twice annual interest on long term debt to be outstanding and (2) total long term debt (except that of Beverage Capital Corp.) does not exceed 75% of consolidated net worth.

DIVIDEND RESTRICTION:—Company may not pay cash dividends or acquire stock in excess of consolidated net income after Dec. 31, 1961, plus \$60,000 and net proceeds of stock sold and provided thereafter consolidated current assets are not reduced below 125% of consolidated current liabilities.

RIGHTS ON DEFAULT:—Trustee or 25% of debentures may declare principal due and payable (30 days' grace for payment of interest or sinking fund installment).

INDEBTURE MODIFICATION:—Indenture may be modified, except as provided, with consent of 66 2/3% of debentures.

PURPOSE:—Proceeds to acquire entire stock of Pepsi-Cola Bottling Co. of Norfolk, Inc. and its affiliate, Melchor's Inc.

WARRANTS:—Each \$500 debenture issued with a warrant to purchase 154.5 shares of series C convertible preferred upon payment of \$500 (cash or debts.) until June 1, 1972.

NOTE: Series C convertible preferred convertible into common share-for-share.

TAX STATUS:—Company will refund personal property taxes of Pennsylvania up to 8 mills and of N.C. Carolina up to 2 1/2 mills on principal amount. If withholding taxes apply (corp. loans tax in Pa.), interest will be paid without deduction up to such amounts.

OFFERED:—(\$3,750,000) at 100 with warrants as above described (proceeds to company, 92) on June 25, 1962 by Suplee, Yeatman, Mosley Co., Inc., Philadelphia, and associates.

PRICE RANGE:—1972 1971 1970
High..... 85 83 77 1/2
Low..... 79 1/2 68 63 1/2

2. Allegheny Beverage Corp., convertible, subordinated debentures, 6 1/4%, due 1983:

Rating—B

AUTHORIZED:—\$20,000,000; outstanding, Dec. 31, 1971, \$13,457,000.

NOTE: Apr. 14, 1972 Co. reported that \$2,361,000 of its 6 1/4% subord. debts. due 1983, have been converted in 1972 resulting in the issuance of 232,111 com. shs. Conversion and repurchase of debts. by Co. have reduced balance outstg. to \$11,096,000. Co. said that \$1,841,000 of the debts. were converted in 1968 and that no conversions had taken place

subsequently until 1972. Co. purchased 702,000 of the debts. in 1969 and 1970 applied these cancelled debts. to satisfaction of sinking fund payments for future use. Co. said that \$1,000,000 of the converted debts. also will be applied in satisfaction of sinking fund payments. As a result, Co. satisfied its sinking fund requirements in 1973.

DATED:—Aug. 1, 1968. **DUE:**—Aug. 1, 1988.

INTEREST:—J&D1 at office of Trustee.

TRUSTEE:—Bankers Trust Co., N. Y.

DENOMINATION:—Fully registered, \$100 and multiples thereof. Debts. are exchangeable or transferable without charge.

CALLABLE:—As a whole or in lots of less than \$500,000 on or after Aug. 10, 1973, on at least 45 days' notice to each May 1, as follows:

1973.... 105 1978.... 103 1983.... 100
Also callable for sinking fund (which sec.) at par.

SINKING FUND:—Entitled to sinking fund payments as follows: in 1972 & 1973, \$500,000; 1974 thru 1978, \$750,000; 1979 thru 1983, \$1,000,000; thru 1987, \$2,000,000; and balance \$1,588,000 in 1988.

SECURITY:—Not secured; subordinated to senior debt.

CONVERTIBLE:—Into com. stk. any time after \$9.90 per sh. thru July 31, 1973 and \$10.00 per sh. thereafter.

TAX STATUS:—Company will refund personal property taxes of Pennsylvania up to 8 mills on principal amount. If withholding taxes apply (corp. loans tax in Pa.), interest will be paid without deduction up to such amounts.

PRICE RANGE:—1972 1971 1970 1969
High..... 112 89 65 50
Low..... 96 52 43 36

3. Allegheny Beverage Corp., subordinated debentures, 3 1/2% due 1980:

AUTHORIZED:—\$3,971,000; outstg. Dec. 31, 1971, \$647,000.

DATED:—Dec. 1, 1970. **DUE:**—Dec. 1, 1980.

INTEREST:—Entitled to 9% a year if earned (4% cumulative).

TRUSTEE:—United States Trust Co., NYC.

DENOMINATION:—Fully registered, \$100, and authorized multiples thereof. Transferable or exchangeable without service charge.

CALLABLE:—As a whole or in part, on or after Dec. 1, 1973 to each Nov. 30, incl. as follows:

1974.... 102 1975.... 101 1980.... 100
Also callable for sinking fund (which sec.) at par.

SINKING FUND:—Annually, each Nov. 30, 1973-79, to retire debts., cash (or debts.) equal to 12.5% of debts. initially issued under indenture.

SECURITY:—Not secured; subordinated to all senior debt.

RIGHTS ON DEFAULT:—Trustee or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest).

INDEBTURE MODIFICATION:—Indenture may be modified, except as provided, with consent of a majority of debts. outstg.

PURPOSE:—Offered in Mar., 1971, in exchange for 1,000,000 shs. of series C conv. pfd. stock and/or com. stock.

Long Term Debt: Outstg. Dec. 31, 1971, \$20,166,000 comprised of:

(1) \$1,690,000 10% notes due 1972-1975, collateralized by liens on Pepsi's property, plant and equipment.

(2) \$2,451,000 notes due 1972-1975, interest at 4% over prime rate, collateralized by liens on Pepsi's property, plant and equipment.

(3) \$1,761,000 7 1/2% note due 1972-1990, collateralized by first lien on Pepsi's Baltimore plant.

(4) \$6,416,000 12% note due 1972-1976, collateralized by first lien on Newport News plant, second lien on Pepsi's Baltimore plant.

(5) \$3,832,000 12 1/2%-13 1/2% notes due 1974-1978 collateralized by first lien on Mid-Atlantic's real estate, first lien on American Brewery Div. real estate, chattel mortgages on all unencumbered equipment of company and above subsidiaries; and security interest in accounts receivable and inventories of company and certain subsidiaries.

(6) \$3,956,000 5%-11 1/2% notes due 1972-1978 collateralized by liens on production equipment, vehicles and vending machines.

(7) \$60,000 7 1/2%-8 1/2% notes due 1972-1978 collateralized by real estate.

(8) \$3,729,000 5%-9% unsecured notes and debentures due 1972-1978.

Loan agreements relating to collateralized notes aggregating \$4,141,000 provide, among other things, requirements for specified levels of net worth and working capital and replacement of collateral in event of sale of certain assets, limitations on lease of long-term debt commitments and retirement limitations on payment of management fees by Pepsi to company and restrictions on Pepsi's payment of cash dividends. These restrictions and limitations could affect company's ability to pay cash dividends.

quently until 1972. Co. purchased \$1. of the debts. In 1969 and 1970 and these cancelled debts. To satisfaction making fund payments for future use. Co. that \$1,000,000 of the converted debts will be applied in satisfaction of its fund payments. As a result, Co. has met its sinking fund requirements thru

SE—Aug. 1, 1968. DUE—Aug. 1, 1988.
REST—V&D at office of Trustee.
STEE—Bankers Trust Co., N. Y.
OMINATION—Fully registered, \$1,000 multiples thereof. Debts are exchangeable without charge.
ABLE—As a whole or in lots of not less than \$500,000 on or after Aug. 10, 1970; at least 45 days' notice to each May 31, as follows:
105 1978... 103 1983... 101
callable for sinking fund (which see)

ING FUND—Entitled to sinking fund payments as follows: in 1972 & 1973, \$500,000; thru 1978, \$750,000; 1979 thru 1983, \$1,000,000; 1984 thru 1987, \$2,000,000; and balance of 000 in 1988.

RITY—Not secured; subordinated to all debt.

ERTIBLE—Into com. stk. any time at per s. thru July 31, 1973 and \$10.69 thereafter.

STATUS—Company will refund personal property taxes of Pennsylvania up to \$ on principal amount. If withholding apply (corp. loans tax in Pa.), interest e paid without deduction up to such ts.

RANGE—1972 1971 1970 1969
132 88 63 98
68 52 42 50

Allegany Beverage Corp., subordinated
ms, 3s due 1980:
PRIZED — \$3,971,080; outstg. Dec. 31,

Dec. 1, 1970. DUE—Dec. 1, 1980.
EST—Entitled to 9% a year if earned
mulative).

EE—United States Trust Co., NYC.
INATION—Fully registered, \$1,000
thorized multiples thereof. Transfer-
exchangeable without service charge.

BLE—As a whole or in part, on or
ec. 1, 1973 to each Nov. 30, incl. as

102 1975... 101 1980... 100
callable for sinking fund (which see)

G FUND—Annually, each Nov. 30,
to retire debts, cash (or debts), equal
of debts. Initially issued under in-

TY—Not secured; subordinated to all
ebt.

ON DEFAULT—Trustee or 25% of
itsg. may declare principal due and
(30 days' grace for payment of

URE MODIFICATION—Indenture
modified, except as provided, with
of a majority of debts. outstg.

IE—Offered in Mar., 1971, in ex-
or 1,000,000 shs. of series C conv. pfd.
1/or com. stock.

Term Debt: Outstg. Dec. 31, 1971,
0 comprised of:
90,000 10% notes due 1972-1975, col-
d by liens on Pepsi's property, plant,

ment.
1,000 notes due 1972-1975, interest at
prime rate, collateralized by liens on
property, plant and equipment.

31,000 7 1/2% note due 1972-1990, col-
d by first lien on Pepsi's Baltimore

16,000 12% note due 1972-1976, col-
d by first lien on Newport News

and lien on Pepsi's Baltimore plant,
on Mid-Atlantic's real estate,

on American Brewery Div. real
attl mortgages on all unencumbered
t of company.

and above subsi-
nd security interest in accounts
and inventories of company and
subsidiaries.

1,000 12 1/2%-13 1/2% notes due 1972-
1976, collateralized by liens on Valu-Vend
machines.

7,000 5%-11 1/2% notes due 1972-1976
d by liens on production equip-
cles and vending machines.

0 7 1/2%-8 1/2% notes due 1972-1978 col-
by real estate.

1,000 5%-9% unsecured notes and
due 1972-1976.

rements relating to collateralized
egating \$4,141,000 provide, among
ts, requirements for specified lev-
worth and working capital and
it of collateral in event of sale

assets, limitations on lease and
lebt commitments and retirements
on payment of management fees
to company and restrictions on
ment of cash dividends. These
and limitations could affect com-
ty to pay cash dividends.

Loan agreement relating to collateralized
notes aggregating \$6,416,000 provides among
other things, that inventory and acceptable
accounts receivable shall not aggregate less
than \$5,000,000 and that M. M. Lapidus shall
not resign, be removed or be replaced with-
out lending institution's written consent.

Subsequent Financing Subsidiary: In Jan.
1973, Allegheny Pepsi-Cola Bottling Co., a
wholly-owned subsidiary completed a \$13-
00,000 term financing with W. E. Heller &
Co., Ga. The 7 year loan refunds various
types of indebtedness, some with short ma-
turities, and provides additional corporate
funds. The loan provides for quarterly prin-
cipal repayments commencing about Apr. 1,
1974. The interest rate has been established
at a premium over bank prime rate and
will float with the prime.

Capital Stock 1. Allegheny Beverage Corp.
series A preferred; par \$1:

Authorized, all series 6,000,000 shares; out-
standing, series A, 260,000 shares; par \$1.
All owned by M. M. Lapidus.

Has preferences for assets. Entitled to \$3
per share upon liquidation.

Not entitled to cash dividends until 1977,
when it participates on same basis as com-
mon.

Convertible into common after Dec. 31, 1971
at rate of 1.08 common shares for each share
of preferred. Conversion privilege protected
against dilution.

Entitled to one vote per share and may
elect five of nine directors but may not vote
for election of four directors elected by com-
mon.

No additional shares of series A preferred
may be issued unless authorized by majority
of series A shares.

Issued (250,000 shs.) upon acquisition of Al-
legheny Pepsi-Cola Bottling Co. See history
above.

2. Allegheny Beverage Corp. series B pre-
ferred; par \$1:

Authorized, all series 6,000,000 shares; out-
standing series B, 14,732 shares; par \$1. Held
privately.

Has preferences for assets. Entitled to \$6
per share upon liquidation.

Not entitled to cash dividends.

Convertible into common at any time at
rate of 1.08 common shares for each share
of preferred. Conversion privilege protected
against dilution.

Beginning Sept. 1, 1968, continuing for 10
consecutive years, company is required dur-
ing Sept. of each year, to offer to purchase
such shares as may be acquired at \$3 per
share or less, up to an amount of \$55,000 per
year. If company does not receive tenders
sufficient to exhaust fund in any year be-
fore last day of Sept. of the year, balance
of fund reverts to company to be used for
general corporate purposes. Any shares pur-
chased will be retired and cancelled.

Issued (188,998 shs.) upon acquisition of
American Brewery, Inc. See history above.

3. Allegheny Beverage Corp., series C con-
vertible preferred; par \$1:

Authorized, all series 6,000,000 shs.; out-
standing series C, 399,171 shs.; reserved for
warrants, 70,895 shs.; options, 30,500 shs.; par
\$1.

On Mar. 1, 1971 co. exchanged 63,000 shs.
for \$315,000 9% subordinated debentures, at
the rate of \$500 face amount of debts. for
each 100 shs.

Has preference for assets with other pre-
ferred stock; dividends only to extent of
current and immediate preceding year net
earnings.

Entitled to cash dividends of 36 cents
payable semi-annually; entitled to stock divi-
dends at same rate as paid on common.

Convertible into common at rate of one
common share for each preferred share.

Callable at any time at \$6 a share.

In any liquidation entitled to \$3 a share.

Has one vote per share, voting with com-
mon in all matters other than election of
directors.

Issued (483,162 shs.) in Mar. 1970 upon mer-
ger of Allegheny Pepsi-Cola Bottling Co. (see
history above).

Traded: OTC.
Price Range: 1972 1971 1970
High 13 1/2 8 1/2 4 1/2
Low 4 1/2 3 2 1/2

4. Allegheny Beverage Corp. common; par
\$1:

Authorized, 15,000,000 shares; outstanding,
Dec. 31, 1971, 2,760,131 shares; reserved for
preferred conversion, 296,711 shares; for de-
benture conversion, 1,323,205 shs.; for options,
200,000 shs.; warrants, 250,000 shs.; par \$1.

On Mar. 1, 1971 co. exchanged 61,000 shs.
for \$305,000 9% subordinated debentures at
the rate of \$500 face amount of debts. for each
100 shs.

Has one vote per share except not entitled
to vote for election of directors elected by
series A preferred.

Dividend Restriction: To extent any divi-
dends paid on common from capital surplus
constitute distributions in partial liquidat-
ions, they may not be paid in an amount

which would reduce capital and capital sur-
plus below preference in liquidation of pre-
ferred stock.

Dividends: 1969-72, 3% in stock.
Transfer Agent & Registrar: Chemical
Bank, NYC.

Offered: (600,000 shs.) at \$5 a sh. on Dec.
29, 1967 thru Suplee, Mosley, Close & Kerner,
Inc. and Kohlmeier & Co. and associates.
Proceeds of 500,000 shs. for Co. account.

Traded: OTC.
Price Range: 1972 1971 1970 1969 1968
High 14 9 5 1/2 14 1/2 13 1/2
Low 3 1/2 3 2 3 1/2 4 1/2

Warrants: Outstg. Dec. 31, 1971: (1) war-
rants to purchase 250,000 shs. of com. stk. at
\$5 a sh., expiring Mar. 1, 1975; (2) warrants
to purchase 49,749 series C convertible pre-
ferred shares at \$3.24 per share to June 1,
1972; (3) warrants to purchase 21,146 series
C convertible preferred shares at \$8.94 per
share to July 15, 1972 and at \$9.93 per share
thereafter to Dec. 22, 1975.

ALLIED AERO INDUSTRIES, INC.

History: Incorporated in Delaware Jan. 7,
1960 as Aero Industries, Inc.; present name
adopted Apr. 21, 1964.

In Apr., 1963, merged Waco Aircraft Co.
In 1964 acquired Omega Aircraft Corp. (sold
early in 1967); also Jacobs Aircraft Engine
Co. (sold in 1966).

In Sept. 1968, acquired 80% interest in J.
W. Miller Aviation, Inc., San Antonio, Tex.
(sold in 1969).

In 1969, acquired Varion Corp. for 150,000
common shares.

Business: Manufacture of airborne auxi-
liary powerplants, engines for fixed wing air-
craft and helicopter and replacement parts,
assemblies and landing gear.

Property: Owns 130,000 sq. ft. plant at Syra-
cuse, N. Y.

Subsidiaries: Franklin Engine Co., Inc.,
Waco Aircraft Co.

Officers
H. W. Harding, Chmn.
N. M. Abbott, Pres. Sec. & Treas.
T. C. Hansen, Ass't. Sec. & Ass't. Treas.

Directors
G. S. Mennen
John Gerli
Harold Watson
N. M. Abbott
H. W. Harding
Barbara Berger

Auditors: Ernst & Ernst.

Counsel: Hiscock, Cowie, Bruce, Lee and
Mahwinney.

No. of Stockholders: Dec. 31, 1971, 1,900.
No. of Employees: Dec. 31, 1971, 100.

Office: Old Liverpool Rd., Syracuse, N. Y.
13208.

Consolidated Income Account, yrs. ended
Dec. 31, 1971

Net sales \$774,350
Other income 48,936
Total 823,286

Cost of sales 1,110,674
Selling, etc., exp. 512,157
Interest 113,629

Extraord. chg. 356,062
Net loss 1,269,236
Prev. deficit 1,644,685

Credit 5,347
Debit 66,490
Deficit 2,908,574

Earn., com. sh. 451,29
No. com. shs. 2,072,220

Loss on cancellation of marine engine
licensing agreements and write-off of related
devel. costs. As reported on aver. shs.;
\$50.93 (1970, \$50.93) before extraord. chg.

Consolidated Balance Sheet, as of Dec. 31:
1971

Cash \$240,805
Receivables 117,439
Inventories 485,830

Prepayments 23,964
Total current \$868,038
Net prop., etc. 626,325

Notes receivable 55,000
Deferred charges 89,940

Total \$1,639,303
Liabilities \$141,090
Notes, etc., pay. 284,990

Accruals, etc. 109,023
Renegotiation 61,143

Total current \$396,246
Long-term debt 1,186,550
Com. stk. (\$5.25) 546,487

Capital surplus 2,363,652
Deficit 2,908,574
Stkhd. equity 1,565

Reacquired stk. 145,058
Net stk. equity 413,493

Total \$1,639,303
Net current assets \$271,792
Depreciation \$454,463

Lower of cost (fifo) or mkt. Prov. for
renegotiation refund, \$113,227 shs. at cost.

Long Term Debt:
\$1,232,295 comprised of:
(1) \$452,037 9 1/2 %
\$5,300 monthly from,
(2) \$313,945 9 1/2 %
monthly to Dec. 1971

Loan agreement p
keep its working c
prescribed amounts
on power of Co. to
ilities or subsidi
facilities or subordi
tional debt. Terms
Co. from paying ca
1971 Co's working c
prescribed by loan
quently, lender co
due and payable, C
notified Co. that it
date of note.

(3) \$336,250 8 1/2 %
1973-1976
(4) \$102,500 9 1/4 %
Dec. 1972-1973

(5) \$7,563 6 1/2 % du
Capital Stock: All
common; par 25 ce
shs.; outstanding, 2
113,747 shs.; reserv
shs.; for options, 1
conversion of notes.

Has one vote per
No dividends paid
Transfer Agent: 1
N. Y., N. Y.

Offered (250,000 sh
to company, \$2.80 a
Myron A. Lomasne
capital and other 1
(225,000 \$0.25 par
company \$4.33 a sh
through underwri
Emanuel, Deetjen &
Traded: OTC.

Price Range:
High
Low

Warrants: Outsta
rants to purchase
at following prices
in 3rd year; \$5.74
year; expire to 15
with public offering.
Also warrants to
\$0.25 per sh. expiring.

AMERICAN BOOK
PRESS, INC.

History: Incorpor
1928 as American B
name adopted in 19
90% of stock of 11
ographers, Inc. for
received in exch.
shares in Mar. 196

In early 1968, for
tion Systems Corp.
As of Jul. 1, 196

Manufacturing Co.
On Dec. 2, 1968,
leaf Corp. for 199.8

In Feb. 1973 so
of H. Wolff Book
siary, to Pruden
Inc.

Business: Comp
bound books for i
children's books,
ers, and fiction a
does color offset
merical printing
subsidiaries (see
divisions: Ameri
Room Div., Cornw
Konecky Div., S.
Div.; Southern N
Div. and New Yor

Books Produced
Dec. 31:
1971 66
1970 68
1969 71

Property: Comp
tated as follows:

Cornwall, N. Y. 6
Brattleboro, 25,000
Bronx, N. Y. 43,54

New York City, 9
Saddle Brook, N.
Concord, N. H. 2
Bronx, N. Y. 55.5
Ridgfield, N. J.

Subsidiaries wh
Graphic Arts War
H. Wolff Book Ma
Stratford Press Sa

Officers
Harry Brandt, Ch.
Francis Satestein
Officer

Henry I. Burr, Ex-
Stewart Edgerton,
Richard Hirsch, Vi

Brooks & Montgomery

May in June.
Dec. 31, 1972: P
ss B, 2,049.

1, New York, N. Y.

count, years ended

1972 1971

97,881 \$131,832

417,595 104,226

381,358 106,342

584,019 1,609,000

131,500 4,666,000

38,409 4,981,000

12,362 30,329,000

38,394 1,298,000

113,322 34,018,000

70,79 3,896,000

58,726 3,896,000

71, \$131,000 due

\$2,969,380 (1971)

\$2,770,000 not re

aver, cl. A & c

Schönbrunn & Co

of acq.

et, as of Dec. 31

1972 1971

02,912 \$3,716,000

00,000 5,174,000

95,333 12,433,000

07,759 27,475,000

30,578 1,658,000

16,582 \$50,458,000

13,559 34,129,000

16,345 3,166,000

30,486 \$87,753,500

13,525 \$9,077,000

37,726 1,713,000

11,100 1,189,000

7,227 \$11,980,000

7,586 1,135,000

3,967 25,660,000

0,000 2,250,000

2,020 727,000

7,000 727,000

7,555 2,617,000

8,779 1,308,000

7,223 8,287,000

3,328 34,018,000

1,585 46,232,000

1,899 233,000

5,586 45,999,000

5,486 \$87,753,500

3,355 \$37,477,500

1,228 \$11,100

4,758 \$32,002,000

cl. B; 1971, 20.

ling Dec. 31, 1972.

latory notes due

as to \$200,000 pay-

latory notes due

0,000 due 1991.

serially to 1992

ment, Company,

red to limit divi-

of its common

sum amounts to

1972, \$2,700,000

available for dis-

tributing capital

ements by 12-

ers Bros., Inc.

Dec. 31, 1972, 20.

ree as to divi-

Subsequent to

as to cash divi-

share, cumula-

year. Not with-

ed stockholders

cash dividends

share annually

dividend of 20

Dec. 31, 1972.

restriction of

tings at Dec. 31

at least \$300,000

refered stock-

r an aggregate

of \$2,250,000 of

signed sinking

able by Boyer

regulate amount

ption value at

May 2, 1973.

aggregate mat-

\$53,450, in

8 shares of the

Co. common

Capital Stock: 1. American Maize Products

Co. 7% cumulative preferred; par \$100;

Auth. 14 shs.; outstg. 7 shs.; par \$100.

Entitled to annual dividends of \$7.

Each sh. entitled to 36 votes.

Entitled to \$100 per sh. upon liquidation.

2. American Maize-Products Co. Class A

common; par \$1:

AUTHORIZED—7,000,000 shares; outstanding,

1,300,947 shs.; in treasury 26,608 shs.; par \$1.

Par changed from \$100 to no par July 30,

1962 by 10-for-1 split; no par shares split 3-

for-1 July 6, 1962 and 2-for-1 July 6, 1966.

VOTING RIGHTS—Class B has one vote

per sh.; class A has only the following limited

voting rights:

(a) Holders are entitled on one vote per sh.

on election of 30% of directors.

(b) Holders of class A are entitled to

one vote per sh. on reservation of stock

common; par \$1:

AUTHORIZED—2,000,000 shares; outstanding,

1,297,779 shs.; in treasury, 11,000 shares; par \$1.

VOTING RIGHTS—One vote per share on

70% of directors and one vote per share on

other matters.

DIVIDENDS PAID—

1969—\$0.163; 1970-72 \$0.33; 1973 \$0.08

To Mar. 30.

LISTED—ON ASE (Symbol: AZE B).

PRICE RANGE—1972 1971 1970 1969

High—16% 18 10% 13%

Low—7% 9% 6% 8

Since listing; also for year.

Transfer and Dividend Disbursing Agent:

First National City Bank, New York.

Registrar: Bankers Trust Co., New York.

Capitalization: On June 27, 1969 each

share of no par common stock was changed

to one share of Class A common stock par

one-half share of Class B common

stock par \$1.

ARWOOD CORP.

History: Incorporated in Delaware June 28,

1950 as Alloy Precision Castings Co.; in Jan.

1960 merged Arwood Precision Casting Corp.

and adopted present name.

In Feb. 1966, acquired Cast-O-Matic Corp.,

Syracuse, N. Y.

In June 1967, acquired Rolle Manufacturing

Co., Inc., Lansdale, Pa. (discontinued Oct.

370 and assets sold).

On June 24, 1969 acquired W. L. Chapman

Co., Inc. and Fulton Machine Works, Inc. for

40,000 shs. of 4% cumulative convertible pre-

ferred stock.

Joint Venture: On Mar. 30, 1970, Co. and

Chromalloy American Corp. (see alphabetical

index) agreed to form a jointly-owned Co.,

Cheshapes Inc., with initial capital of \$4,000,-

00, to produce vacuum and air melted alloy

castings, such industries as land based tur-

boines for power generators, aircraft engines,

gas turbines, etc.

Business: Company makes metal parts of

complex shape to close tolerances through

investment casting process; also uses die

casting and vacuum casting processes; serves

over 100 industries, including those produc-

ing aircraft, missiles, electronic equipment,

business machines, industrial machinery,

measuring instruments, air conditioning and

refrigeration parts, sporting goods and sew-

ing machine components.

Manufactures both ferrous and non-ferrous

alloys castings. Licenses firms in 11 foreign

countries to produce castings using Arwood

processes and know-how.

Property: Company operates plants in City

of Industry, Calif.; Groton, Conn.; Tilton,

N. H. and Cleveland, Ohio; High Point,

N. C. and Syracuse, N. Y.; and a 63,000 sq.

ft. corporate headquarters and technical cen-

ter for research and development on a 10 acre

site in Rockleigh, N. J.

Sales Offices are located in Cal., Conn., Ill.,

Md., Mass., Mich., Ohio, N. Y., and Mo.

Subsidiaries

Arwood International, Inc.

W. L. Chapman Co., Inc.

Divisions

Cast-O-Matic Corp.

Southern Die Casting Co.

Officers

Rawson L. Wood, Chairman

W. O. Sweeney, Vice-Chmn.

M. G. Lohnes, President

F. L. Silverberg, Senior Vice-Pres.

Vice-Presidents

H. L. Biggerstaff W. L. Chapman

Hyman Rosenthal

G. M. Coridan, Vice-Pres. & Contr.

C. E. Murphy, Jr., Secretary

W. M. Goldberg, Asst. Treas. & Asst. Sec.

Directors

W. L. Chapman W. O. Sweeney

J. M. Friedlander G. H. Walker, Jr.

R. A. Kenkel W. H. Wheeler, Jr.

N. R. Lasher R. Lyman Wood

F. G. Lohnes Rawson L. Wood

C. E. Murphy, Jr.

Counsel: Havens, Wendless, Stitt & Tighe.

Auditors: Price Waterhouse & Co.

Annual Meeting: First Tuesday in May.

No. of Stockholders: Dec. 31, 1972: Pre-

ferred, 7; common, 1,657.

No. of Employees: Dec. 31, 1972, 1,365.

Office: Rockleigh Industrial Park, Rock-

leigh, N. J. 07647.

Consolidated Income Account, years ended

Dec. 31: 1972 1971

Net sales \$25,808,817 \$24,017,235

Royal, etc., inc. 195,316 156,171

Total 26,004,133 24,173,406

Cost of sales 22,553,226 22,088,405

Selling, etc., exp. 2,722,371 2,960,271

Interest 332,000 426,583

Eq. loss jt. vent. 131,774 81,811

Income taxes 165,100 152,506

Extraord. charge 152,506 1,321,793

Net loss 112,844 2,705,457

Prev. ret. earn. 1,462,466 1,382,991

Preferred divs. 140,000 140,000

Deficit 250,25 482,79

Earn. com. sh. 1,018,498 1,018,498

No. of com. shares 1,018,498 1,018,498

After \$726,224 (1971, \$889,502) depr. &

amort. From managements decision to shut

down invest. casting plant at City of Industry,

Cal. After deduct. 4,000,000 div. require.

\$30.10 (1971, \$31.49) before extraord. charge.

Consolidated Balance Sheet, as of Dec. 31:

Assets: 1972 1971

Cash \$317,206 \$455,967

Receivables, net 5,376,125 4,404,305

Tax claims 168,434 168,434

Inventories 3,089,515 1,992,233

Prepayments, etc. 238,579 311,209

Oth. curr. assets 269,330 269,330

Total current \$9,189,859 \$7,601,498

Net prop., etc. 6,707,040 7,018,481

Inv. jt. venture 1,221,964 1,359,568

Oth. invests., etc. 248,043 283,116

Total \$17,372,910 \$16,262,663

Liabilities:

Accts. payable \$2,806,164 \$1,761,208

Notes payable 2,100,000 1,600

Long Term Debt: 1. Glenmore Distilleries convertible subordinated debenture 4 1/4%, \$1,000,000; outstanding, June 30, 1972, \$777,000; in treasury, \$348,000.

Rating—B+

Authorized: \$750,000; outstanding, June 30, 1972, \$777,000; in treasury, \$348,000.

Call: Oct. 1, 1981.

Trust Co., New York.

Trust Co., New York.

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Trust Co., New York.

Trust Co., New York.

VOTING RIGHTS—Has exclusive voting power except as provided under class B (No. 2) below. Cumulative voting for directors permitted.

DIVIDEND LIMITATION—See debentures above.

PREEMPTIVE RIGHTS—Has preemptive rights to subscribe to additional class A or any voting stock (other than class B) and to any obligations convertible into voting stock.

LIQUIDATION RIGHTS—In any liquidation, shares equally with class B.

TRANSFER RESTRICTIONS—Class A stock may not be transferred, sold, assigned or otherwise disposed of unless first offered to the company and to all holders of class A.

2. Glenmore Distilleries Co. class B common; par \$1:

AUTHORIZED—2,000,000 shares; outstanding, 1,032,093 shares; reserved for options, 65,400 shares; for conversion of debenture 4 1/4%, 229,435 shares; for conv. of notes, 120,000 shares; par \$1.

VOTING RIGHTS—Entitled to elect two directors of a total of nine or less and to maintain same ratio if directorate is increased. Cumulative voting permitted.

LIQUIDATION AND DIVIDEND RIGHTS—See class A (No. 1) above.

PREEMPTIVE RIGHTS—None.

DIVIDENDS—(calendar years):

1946—\$0.40 1947—\$0.60 1948—\$1.00
1950—1.15 1951—1.25 1952—\$3 1.00
1954—0.82 1955—\$7 0.50 1956—0.65
1959—0.67 1960—\$5 0.70 1966—0.55
1967—70 0.40 1971—0.05 1972—11

Also paid stock dividends: 1972, 4%.

DIVIDEND LIMITATIONS—See debenture above.

OFFERED—(125,000 shares) at \$18 per share on June 26, 1946 by Glor. Forgan & Co., Chicago. At same time an additional 25,000 shares was offered to certain officers and employees of company. Proceeds used for working capital and general corporate purposes.

LISTED—On ASE (Symbol: GDS B).

PRICE RANGE—1972 1971 1970 1969 1968
High—13 1/4 14 15 1/4 20 1/4 21 1/4
Low—10 9 1/4 11 1/4 13 1/4 13 1/4

Transfer Agents: Citizens Fidelity Bank & Trust Co., Louisville and Bankers Trust Co., New York.

Registrars: Louisville Trust Co., Louisville and Chemical Bank, New York.

Dividend Disbursing Agent: Citizens Fidelity Bank & Trust Co., Louisville.

GLoucester Engineering CO., INC.

History: Incorporated in Mass. in 1961.

In May 1971, acquired 80% interest in Extrion Corp. for \$46,050. Beginning June 1972, Co. has option to acquire remaining interest.

In July 1971, acquired 34,135 shs. of Flex Key Corp.; acquired additional 46,865 shs. in 1972.

Business: Co. is primarily engaged in the design, manufacture and sale of extrusion systems used for the production of polyethylene packaging film and polyethylene bags and styrene foam sheets.

Through subsidiaries, manufactures ion implantation equipment, used in the manufacture of semiconductor for use in computers, also manufactures keyboards for use in adding machines, calculators, data stations and credit check systems.

Subsidiaries

Extrion Corp. (80%)
Flex Key Corp. (over 50%)
Glenco, Ltd.

Property: Co.'s manufacturing facilities are located on about 180,000 sq. ft. of space in Gloucester, Mass. Co.'s English facilities are located in Droitwich, Worcestershire, England.

Officers

G. W. Tracey, Chmn. & Chief Exec. Off.
I. E. Tornberg, Pres.
J. J. Cosner, Jr., Vice-Pres.
P. E. Jenness, Vice-Pres.
G. D. Wise, Jr., Vice-Pres.
M. Tiramani, Vice-Pres.
P. E. Chalmers, Treas.

Directors

G. W. Tracey A. J. Casner, Jr.
I. E. Tornberg J. M. Kingland
C. M. Schott, Jr. G. B. Greer

Auditors: Harris, Kerr, Forster & Co.

General Counsel: Bingham, Dana & Gould.

Annual Meeting: In Oct.

No. of Stockholders: June 30, 1972, 1,295.

No. of Employees: June 30, 1972, 434.

Executive Office: Blackburn Industrial Park, Gloucester, Mass. 01930.

Consol. Income Acct., yrs. ended June 30:

	1972	1971
Net sales	\$15,250,502	\$12,390,505
Cost of sales	11,172,063	8,847,349
Sell.	2,648,441	1,777,846
Oper. profit	1,429,998	1,765,310
Other income	77,055	50,186
Total	1,507,053	1,815,506
Other expenses	351,880	268,580
Income taxes	592,768	778,848
Minority interest	cr28,065	cr6,198
Net income	590,470	774,726
Prev. retain.	3,083,917	2,309,641
Retained earnings	3,674,387	3,083,917
Earn., com. share	\$0.93	\$1.30
No. of com. shs.	633,244	632,744
After \$466,062 (1971, \$334,409) deprec. & amort. As reported on 632,987 (1971, 595,650) aver. com. & com. equiv. shs.		

Consolidated Balance Sheet, as of June 30:

	1972	1971
Assets:		
Cash	\$193,902	\$76,296
Mkt. secur., cost		21,929
Receivables, net	\$3,965,630	\$1,115,980
Inventories	3,957,106	3,617,912
Prepayments	34,834	53,624

	1972	1971
Total current	\$8,151,472	\$7,073,091
Prop., etc., net	5,202,108	4,930,028
Development costs	155,527	209,338
Patent pending	90,724	
Excess acq. costs	31,391	3,271
Other assets	67,584	63,594

	1972	1971
Total	\$13,698,077	\$12,279,122

	1972	1971
Liabilities:		
Accts., etc. pay.	\$2,004,651	\$1,633,491
Customer's deposits	609,390	462,348
Debt due	835,503	1,975,694
Income taxes	241,360	10,933

	1972	1971
Total current	\$3,690,894	\$4,082,466
Long term debt	1,335,628	4,930,028
Minority interest	30,180	4,372
Common stk. (\$1)	633,244	632,744
Capital surplus	4,333,748	4,331,246
Retained earnings	3,674,387	3,083,917

	1972	1971
Total	\$13,698,077	\$12,279,122
Net current assets	\$4,460,578	\$2,990,625
Deprec.	\$1,233,249	\$846,999

At cost (fifo or aver. cost) not in excess of mkt.

Long Term Debt: Outstanding, June 30, 1972, \$287,754 6 1/4% conditional sales contracts, due at various dates thru July 1974, 55,173 7 1/4% notes, secured by First Mortgage on Real Estate, due on demand, and \$1,826,202 6 1/4% 8 1/4% revolving loan and security agreement, due at various dates through Mar. 1977.

As of June 30, 1972 deferred portion of revolving loan was \$1,500,000 payable \$125,000 semi-annually with \$375,000 on Mar. 1, 1977.

Capital Stock: Gloucester Engineering Co., Inc. common, par \$1:

Auth., 5,000,000 shs.; outstg. 633,244 shs.; reserved for options, 28,500 shs.; par \$1.

Has one vote per share with no preemptive rights.

Transfer Agents and Registrars: First National Bank, Boston and Chase Manhattan Bank, N.Y.

Offered: (200,000 \$1 par shs.) at \$18 a sh. on June 18, 1969 thru White, Weld & Co., and associates. Proceeds for 160,000 shs. for equipment and expansion, balance for general purposes.

(131,000 \$1 par shs.) at \$22.75 a sh. on Dec. 8, 1969 thru White, Weld & Co. and associates. Proceeds to repay debt and for construction.

Listed: On ASE (Symbol: GEC).

Price Range: 1972 1971 1970 1969
High—18 1/4 30 1/4 28 1/4 27 1/4
Low—13 11 1/4 17 15 1/4

Since listing: also for entire year.

INFLIGHT SERVICES, INC.

History: Incorporated in Delaware on Apr. 6, 1961 as Inflight Motion Pictures Inc., present name adopted Jan. 19, 1973.

In Oct. 1968, acquired Hollywood Film Enterprises, Inc., Los Angeles, Cal. for about \$7,500,000.

Business: Engaged in exhibition of full length motion pictures aboard commercial airlines. Company also engaged in processing and printing of 8 mm, super 8 and 16mm color motion picture film.

Property: Leases office space at 485 Madison Avenue, NYC; also leases space at Kennedy International Airport, NYC, for servicing, assembling and manufacturing as is required to adapt projection equipment for aircraft installation; smaller additional space is also leased at terminals in San Francisco, Los Angeles and Honolulu.

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

FPI MI—9-24-75-BOM-4417

Company operates laboratory and maintains offices in 28,000 sq. ft. building in Hollywood, Cal. Owns 30,000 sq. ft. office building in Hollywood leased to others.

Subsidiaries: Hollywood Film Enterprises, Inc. (100%); Inflight Realty, Inc. (100%); Amerion Productions, Inc. (50%); Inflight Theatres Corp. (100% owned).

Officers

David Flexer, Chairman & Chief Exec. Off.
C. B. Newberry, Pres. & Chief Oper. Off.
L. R. Miles, Exec. Vice-Pres. & Treas.
Raoul Gersten, Vice-Pres., Sec. & Gen. Counsel

Vice-Pres.

A. E. Smick Donald Zimmet
Max Fellerman H. L. Hartman
Mario Incalichio, Contr.
W. F. Downey, Asst. Sec.
G. T. Thompson, Asst. Treas. & Asst. Sec.

Directors

I. W. Burnham, II David Flexer
C. B. Newberry E. H. Flexer
L. R. Miles W. F. Downey

Counsel: Lovejoy, Wesson, Lundgren & Ashton, New York.

Auditors: Hurdman & Cranstoun, Penny & Co.

Annual Meeting: First Monday in Nov.

No. of Stockholders: June 30, 1970, 2,544.

No. of Employees: June 30, 1972, 280.

Office: 485 Madison Avenue, NYC 10022.

Consolidated Income Account, years ended June 30:

	1972	1971
Fees, sales, etc.	\$16,475,872	\$15,914,848
Cost of sales, etc.	11,776,522	11,335,466
Sell, etc. exp.	2,047,629	2,067,875
Deprec. & amort.	2,247,307	1,867,007
Oper. profit	404,414	644,500
Other income	20,975	91,090
Total income	425,389	735,590
Interest, etc.	712,595	649,363
Equity earn.	676,368	676,636
Prov. equip. loss	152,234	
Fed. income tax	cr299,304	cr136,670
Extraord. chg.	1087,267	1557,572
Net loss	294,771	401,311
Earn. com. sh.	40,200	40,200
No. of com. shares	1,490,361	1,480,361
From write-off relating to an experimental children's theatre. Equity in net loss of 50% owned companies. Comprising: Aband. of operational installations, \$361,324; unrecov. research & devel. costs, \$782,320; total, \$1,144,154; less related tax benefit, \$586,582; balance, \$557,572. @ \$0.14 (1971, \$0.11) before extraord. chg.		

Consolidated Balance Sheet, as of June 30:

	1972	1971
Cash	\$334,129	\$569,523
Receivables, net	3,993,199	4,015,210
Tax claims	647,386	1,000,918
Inventories cost	249,842	271,581
Prepayments	354,360	531,468
Total current	\$5,578,916	\$6,388,700
Net prop., etc.	11,545,752	11,527,390
Inv. & adv.	914,727	880,260
Intangibles	5,550,190	5,312,035
Deferred charges	148,328	159,978
Total	\$23,737,913	\$24,268,903
Liabilities:		
Debt due	\$7,048	\$431,772
Accts., etc., pay.	5,089,248	5,360,687
Total current	\$5,078,296	\$5,792,459
Deb. 6s, 1999	5,600,000	5,600,000
Notes, etc. pay.	5,312,038	4,893,228
Unrec. opt.	196,747	196,747
Def. inc. taxes	1,114,568	1,107,184
Com. stk. (\$1)	1,490,361	1,480,361
Capital surplus	2,101,531	2,057,801
Retained earnings	2,846,352	3,141,123
Total	\$23,737,913	\$24,268,903
Net current assets	\$502,620	\$596,241
Deprec. & amort.	\$7,466,026	\$5,797,231

Long Term Debt: 1. Inflight Motion Pictures, Inc. convertible subordinated debenture 6s, due 1989:

	Rating
AUTH.—\$6,000,000; outstg., \$5,600,000.	
DATED—Mar. 1, 1969. DUE—Mar. 1, 1989.	
INTEREST—M&S1.	
TRUSTEE—Chemical Bank, New York.	
DENOMINATION—Fully registered, \$1,000 and authorized multiples thereof.	
CALLABLE—As a whole or in part on and after Mar. 1, 1971 on at least 30 days' notice to each last day of Feb., incl., as follows:	
1972—106 1973—105 1974—105	
1975—104 1976—104 1977—103 1/2	
1978—103 1979—102 1/2 1980—102	
1981—101 1/2 1982—101 1983—100 1/2	
1989—100	
Also callable for sinking fund (which see) at par.	

SINKING FUND—Annually, beginning Mar. 1, 1974, to retire debts, cash (or debts), equal to \$300,000; plus similar optional payments.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$15.13 a sh. No adjustment for interest or divs. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net earnings after Dec. 31, 1968 plus net proceeds from sale of stock or debt converted into stock. As of June 30, 1972 all retained earnings were so restricted.

RIGHTS ON DEFAULT—Trustee or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts. outstg.

PURPOSE—Proceeds to repay debt; balance for working capital.

OFFERED—(\$6,000,000) at 100 (proceeds to Co. 96.5) on Feb. 27, 1969 thru Burnham & Co. and associates.

PRICE RANGE—

	1972	1971	1970	1969
High	58	55	81	101
Low	41	37	44	63

Other Long-Term Debt: Outstg., Sept. 30, 1972, \$5,317,391 as follows:

(1) \$317,391 8 1/2% mtge. loan due in monthly installments totaling \$34,000 annually to July 1, 1997.

(2) \$5,000,000 borrowed pursuant to a seven year revolving credit agreement with two banks. Under terms of agreement maximum borrowing allowed is to be reduced by \$200,000 on first day of each of ten consecutive quarters commencing Apr. 1, 1974 and by \$250,000 on first day of each twelve consecutive quarters commencing Oct. 1, 1976 with final maturity of the credit agreement on July 1, 1979. Agreement requires Company to maintain at least a 1.1 ratio of current assets to current liabilities (current liabilities not to include the current portion of long term debt) until Mar. 1, 1973 or such earlier date as Company's net worth reaches \$6,200,000 plus net proceeds to Company of any future sales of its equity securities, including common stock offered in Dec. 1972. Thereafter, such ratio is to be 1.3:1. Company's net worth (as defined in agreement) Mar. 1, 1973 or first date on which Company's net worth is at least \$6,200,000 plus net proceeds to Company of any future sales of its equity securities, including common stock offered in Dec. 1972 at which level it must be maintained thereafter. Company's net worth (as defined in the agreement) as of Sept. 30, 1972 was approximately \$6,625,000. Company's aggregate expenditures for fixed assets may not exceed \$4,000,000 during two year period from July 1, 1972 to June 30, 1974, but may increase annually thereafter. Credit agreement contains restrictive covenants, most restrictive of which concern encumbrances on any of Company's properties, obligations in connection with indebtedness of other persons (including guarantees), lease obligations, loans and advances, mergers and sales of all or substantially all Company's assets, payment of dividends, and acquisition by Company of its common stock, and prohibiting any additional senior indebtedness and any material change in company's business.

Capital Stock: 1. Inflight Services, Inc. common, par \$1.

Auth. 3,000,000 shares; outstanding Dec. 13, 1972, 2,140,361 shares; reserved for options, 129,374 shares; reserved for debenture conversion, 370,248 shares; par \$1.

Par changed from \$0.10 to \$1 Aug. 19, 1968 by a 2-for-1 split.

Has one vote per sh. No preemptive rights. Dividends (payments since 1967 follow): 1968, 1969 and 1970, 2% in stock; 1971-72, Nil.

Transfer Agent: First National City Bank, NYC.

Registrar: Chemical Bank, New York.

Offered: (225,455 shs.) at \$18.50 a sh. on Feb. 27, 1966 thru Burnham & Co., NYC, and associates. Proceeds of 75,000 shs. for Co. account.

(90,000 shs.) at \$13 a sh. on Feb. 27, 1969 thru Burnham & Co. and associates.

(650,000 shs.) at \$3.75 a sh. on Dec. 13, 1973 thru Burnham & Co. Inc. and associates.

Proceeds for payment of accounts payable and purchase of projection equipment.

Listed: On ASE (Symbol: INF).

Price Range:

	1972	1971	1970	1969
High	8 1/2	10 1/2	15 1/2	27 1/2
Low	2 1/2	3 1/2	5	24 1/2

After 2-for-1 split; before, 7 1/2-26.

INTERSYSTEMS INC.

History: Incorporated in Mississippi in 1946 as National School Pictures, Inc. name changed to School Pictures, Inc. in 1954.

Present name adopted Aug. 1969.

On Mar. 4, 1967, (as of June 30, 1966) sold Dominion School Life Photography, Ltd.

In July 1967, acquired Special Promotions, Inc. which specializes in store promotion photography.

In 1969 merged Automated Marketing Systems, Inc. in exchange for 225,455 shs. on basis of 4/10 company sh. of sh. of Automated.

In Dec. 1969 acquired Big Brake, Inc. for \$102,000.

In 1970 sold Franchise Industries, Inc. to Anthony Burton, Inc. a Franchise Corp.

In July 1971 sold substantially all computer programs and certain other assets of its wholly-owned subsidiary, Automated Management Systems, Inc.

In Feb. 1972, Co. acquired 100% interest in Rotary Photographic Co., Ltd., England; our next plans are to develop day picture business in England and expand these operations into the other non-market countries.

Business: Operates through subsidiaries.

School Pictures, Inc. is engaged in developing and processing photographs for an organization of independent photographers across country. The majority of photographs taken are of school children in individual poses. The company also has group and class photographs as well as portraits of high school seniors.

Rotary Photographic Co., Ltd. of England (66 2/3% owned) operates primarily in the picture market in that country.

Special Promotions, Inc. is engaged in promotional photography for department stores.

Big Brake, Inc. is a chain of five brake repair shops located in five states. It also sells shock absorbers, alignments, tires, and related parts and services.

Intertek, Inc. is a data processing company which specializes in data processing for banks. Intertek, Inc. also has a department which develops new data processing programs and revises existing ones.

Financial Systems Corp. is a subsidiary which concentrates its efforts in the field of equipment leasing.

Property: Plants at Jackson, Miss. 44,000 sq. ft. (90.000 owned); and Webster, Mo. 44,000 sq. ft.; Fullerton, Cal. 31,000 sq. ft. 34 Big Brake Safety Centers under 20,000 sq. ft. leased by Data Processing and 3,000 sq. ft. leased for office purposes.

Subsidiaries (wholly-owned): School Pictures, Inc. (Cal.); School Pictures, Inc. (Miss.); Special Promotions, Inc.; Big Brake, Inc.; Intertek, Inc.; Automated Management Systems, Inc.; Financial Systems Corp.; Photographic Co. Ltd., (England) (66 2/3% owned).

Officers

R. M. Hearin, Chmn. & Pres.

W. T. Burns, Vice-Pres.

W. T. Smith, Jr., Vice-Pres., Photo Div.

J. T. Corbett, Sec. & Treas.

Directors

R. M. Hearin H. O. Phippen

H. J. Kendrick W. T. Smith, Jr.

W. D. McWhirter J. D. Whiddon

A. R. Pickel

Counsel: Dossett, Magruder & McWhirter, Jackson, Miss.

Auditors: Touche Ross & Co.

No. of Stockholders: June 30, 1972, 680.

Office: 1118 First National Bank Bldg., Jackson, Miss. 39201.

Consolidated Income Account, yrs. ended June 30:

	1972	1971
Revenues	\$19,811,669	\$18,164,263
Cost of revs.	12,164,263	10,828,313
Selling, etc., exp.	3,828,313	3,458,528
Oth. deduct., net	1,722,354	1,722,354
Income taxes	1,722,354	1,722,354
Extraord. credit	1,722,354	1,722,354
Net income	1,599,933	1,599,933
Prev. deficit	688,501	688,501
Pr. yr. tax pd.	688,501	688,501
Retained earnings	645,496	645,496
Earn., com. sh.	\$1.18	\$1.18
No. of com. shares	1,279,162	1,279,162
Reduct. of inc. tax arising from pr. yrs. oper. losses and carryfwd.	1,279,162	1,279,162
Reduct. of inc. tax arising from realiz. of pr. yrs. oper. losses, less on sale of assets to Big Brake	1,279,162	1,279,162
Incl. com. equiv. shs.	\$1.14	\$1.14
Def. extraord. credit	1,279,162	1,279,162
689,514 depr. & amort.	689,514	689,514
com. shs. adj. for 100% stk. div.	689,514	689,514

Consolidated Balance Sheet, as of June 30:

	1972	1971
Cash	\$1,137,791	\$1,137,791
Receivables, net	2,411,292	2,411,292
Inventories	874,936	874,936
Def. income taxes	221,014	221,014
Prepayments, etc.	79,748	79,748
Total current	\$4,724,841	\$4,724,841
Net prop., etc.	4,537,133	4,537,133
Leased eq., net	1,327,284	1,327,284
Investments, cost	292,757	292,757
Notes receivable	1,095,638	1,095,638

Business: Manufacturers of toys, school and kindergarten materials, school and institutional furniture, molded plastic pieces, educational teaching aids, games, puzzles, card and paper cutters, lithographic printing, crayons, water colors, etc.

Through license agreements company products are produced in Australia, Italy, Germany, France, Holland, Canada and England.

Properties: Company and subsidiaries own plant, warehouse and office facilities as follows:

East Longmeadow, Mass. (970,000 sq. ft.)
Springfield, Md. (286,000 sq. ft.)
Long Island City, N.Y. (86,000 sq. ft.)
Chicago, Ill. (450,000 sq. ft.)
Hampshire, Ill. (223,000 sq. ft.)
Warminster, Pa. (205,000 sq. ft.)
South Bend, Ind. (210,000 sq. ft.)
London, England (35,000 sq. ft.)

Also leases plants and warehouses in Springfield, Md., Chicago, Hampshire and Des Plaines, Ill.; South Bend, Ind.; Ter Apel, Holland, Furth, W. Germany and London, England.

Notes payable ---- 13,254,160
Def. inc. taxes ---- 1,403,046
Com. stock (\$1) ---- 6,393,938
Capital in excess of par value -- 19,309,900
Retained earnings -- 32,771,659

Total ---- \$99,833,357
Net current assets \$43,147,439
Net tang. com. sh. \$10.08
Depreciation -- \$13,460,170
Lower cost (fifo) or mkt. \$38.01 adj. for split.

Long Term Debt: Outstg., Dec. 31, 1972, \$15,367,457; comprised of:
(1) \$2,637,152 2% to 3% notes due 1971-1989;
(2) \$3,883,425 5.45% 5 1/2% to 6% notes due 1973-1992;
(3) \$1,616,876 7% to 8 1/2% notes due 1971-1994;
(4) \$2,000,000 6 1/4% eurocurrency note;
(5) \$5,250,000 6% note due 1976.

Loan agreement places certain restrictions on payment of cash dividends and repurchase of capital stock. At Dec. 31, 1972, \$7,499,358 of retained earnings was not so restricted.

Capital Stock: L. Milton Bradley Co. common; par \$1:

AUTHORIZED—25,000,000 shares; outstanding, 6,393,938 shares; reserved for options, 85,371 shares; par \$1.

\$1 par shares split 10-for-1 Sept. 1, 1961; 2-for-1 May 2, 1968 and 5-for-3 on Apr. 24, 1972.

DIVIDENDS PAID:

1951-55 .015 1952-56 .030 1953-58 .035
1954-55 .055 1956-58 .065 1957-58 .075
1959- .095 1960- .115 1961- .1075

After 10-for-1 split:
1961- .03 1962- .012 1963- .021
1964- .050 1965- .057 1966- .070
1967- .085 1968- .055

After 2-for-1 split:
1968- .030 1969-71 .060 1972- .0324
After 5-for-3 split:
1972- .018 1973- .01944

Also stock dividends: 1960, 2%; 1961, 4%; 1962, 4%; 1963, 4%.

OFFER: 30,000 shs. at \$23.50 a sh. (proceeds to be \$722 a sh.) on June 2, 1966, thru underwriters led by Merrill Lynch, Pierce, Fenner & Smith, Inc.

(300,000 shs.) at \$35.50 a sh. on Aug. 8, 1968 by Merrill Lynch, Pierce, Fenner & Smith, Inc., New York, and associates. Proceeds of 200,000 shs. for Co. account to reduce short-term bank debt and for working capital.

(250,000 shs.) at \$37 a sh. on May 3, 1972 thru Merrill Lynch, Pierce, Fenner & Smith, Inc. and associates. Proceeds for land acquisition, expansion and construction.

LISTED—On NYSE (Symbol: MB).

PRICE RANGE—1972 1971 1970 1969 1968
High ----- 4 1/2 45 26 1/2 40 50 1/2
Low ----- 2 1/2 21 13 1/4 24 1/2 32

After 5-for-3 split; before, 68 1/2-39

After 2-for-1 split; before, 81-57 1/2.

Transfer and Dividend Disbursing Agent:

Valley Bank & Trust Co., Springfield, Mass.; Chase Manhattan Bank, N.Y.

Registrar—First Bank & Trust Co., Springfield, Mass.; First National City Bank, N.Y.

MONROE GROUP, INC.

History: Incorporated in Delaware in 1972 as successor to a Co. of same name incorporated in N.Y. in 1966 as Monroe Combining Corp., to acquire business and properties of North Carolina Corp. of same name. Present name adopted May 4, 1970.

On Jan. 27, 1969 acquired Astrotex, Ltd. and Stratostretch Inc. in exchange for 450,000 common shares. Sold in 1972.

On Jan. 28, 1969 acquired Norgal Industries, Inc. for cash.

In June 1969 formed Starward Fabrics, Inc.

In Feb. 1973, acquired the apparel print division of Troy Textiles, Inc. of New York.

In Apr. 1973 acquired Winner Textiles, Inc.

Business: Engaged in design and styling of woven and knit fabrics for sale to manufacturers of women's and girls' dresses, sportswear, loungewear, men's and women's outerwear and women's slacks.

Property: Owns manufacturing plant in Monroe, N.C. occupying 285,000 sq. ft. and 18 acres of unimproved land; leases additional manufacturing and warehouse facilities in Moonachie, N.J. (51,000 sq. ft.); Carlstadt, N.J. (10,000 sq. ft.); Monroe, N.C. (71,000 sq. ft.); Lincolnton, N.C. (70,000 sq. ft.); Ellerbe, N.C. (43,000 sq. ft.); New York City, (35,000 sq. ft.).

Subsidiaries: Stratostretch, Inc.; Starward Fabrics, Inc.; Sew & Save Stores, Inc.; Monroe Combining Corp.; N.C.; Monarch Bonding & Laminating Corp. (95 1/2% owned).

Officers
R. M. Gallagher, Chairman
Shep Brozman, Pres. & Chief Exec. Officer
Milton Nordlicht, Vice-Pres. & Sec.
T. J. Devine, Vice-Pres., Fin. & Treas.
Arnold Schneider, Controller
Gordon Ancker, Asst. Sec.

Directors
Shep Brozman
T. J. Devine
R. M. Gallagher
Auditors: Arthur Andersen & Co.
General Counsel: Otterbourg, Steindler, Houston & Rosen.

No. of Stockholders: Oct. 31, 1972, 2,300.

No. of Employees: Oct. 31, 1972, 675.

Executive Office: 124 W. 36th St., New York, N.Y. 10018.

Consolidated Income Account, years ended

Oct. 31, 1972 1971
Net sales ----- \$33,843,000 \$39,865,000
Cost of sales ----- 27,873,000 31,921,000
Selling, etc., exp. ----- 4,353,000 4,230,000
Interest ----- 1,047,000 1,100,000
Fed. income tax ----- 176,000 1,298,000
Inc. cont. ops. ----- 394,000 1,425,000
Loss disc. ops. ----- 112,000 123,000
Extraord. chg. ----- 179,000 585,000
Net income ----- 203,000 1,217,000
Earnings, com. sh. ----- 50.12 \$0.97
No. of com. shares 1,624,199 1,772,241

Loss on sale and discount of retail operations \$79,000 applic. inc. tax credit. Loss on discount of Monarch Bonding & Laminating Corp. less \$71,000 life insur. proceeds in excess of cash surrender value. As reported on 1,694,000 (1971, 1,342,000) aver. com. & equiv. shs.; \$0.17 (1971, \$0.37) bef. extraord. chg. Equal to \$0.23 (1971, \$1.06) a sh. stated to show discount. ops. as a separate item.

Note: Earnings, com. sh. amounted to \$0.12 (\$0.17 bef. extraord. chg.) in 1972 and \$0.32 (\$0.87 bef. extraord. chg.) in 1971 assum. full dilution.

Consolidated Balance Sheet, as of Oct. 31:

Assets: 1972 1971
Cash ----- \$1,159,000 \$1,278,000
Receivables ----- 4,005,000 5,076,000
Inventories ----- 9,072,000 9,941,000
Prepayments ----- 269,000 310,000

Total current ----- \$14,505,000 \$16,605,000
Net prop., etc. ----- 5,639,000 4,491,000
Other assets ----- 742,000 682,000
Exc. acq. cost ----- 2,070,000 2,070,000

Total ----- \$22,956,000 \$23,853,000

Liabilities: 1972 1971
Accts., etc., pay. ----- \$5,752,000 \$6,732,000
Debt due ----- 566,000 175,000
Income taxes ----- 28,000 1,133,000

Total current ----- \$6,346,000 \$8,040,000
Deb. 7 1/2% 1984 ----- 1,568,000 1,568,000
Conv. note pay. ----- 1,000,000 1,000,000
Oth. lg. tm. debt ----- 6,310,000 5,001,000
Com. stk. (\$0.01) ----- 16,000 18,000
Paid-in surplus ----- 4,797,000 5,220,000
Retained earnings ----- 2,919,000 3,106,000
Stkhd. equity ----- 7,732,000 8,344,000
Reacquired stk. ----- 100,000 100,000
Net stk. equity ----- 7,732,000 8,244,000

Total ----- \$22,956,000 \$23,853,000
Net current assets ----- \$8,159,000 \$8,565,000
Net tang. com. sh. ----- 33.49 \$3.49
Lower cost or mkt. \$4,000 com. shs. at cost

Long Term Debt: Outstanding Oct. 31, 1972, as follows:

(1) \$386,000 8% first mortgage note payable.
(2) \$1,165,000 8 1/4% note payable \$165,000 annually, due Feb. 1, 1980.

(3) \$1,000,000 8 1/4% convertible note payable \$200,000 annually beginning Feb. 1, 1981, due 1985 convertible into com. at \$8.86 per share.

(4) \$3,007,000 payable under purchase agreement.

(5) \$237,000 other notes payable.

(6) \$1,200,000 notes payable to bank.

Agreements relating to issuance of notes payable and convertible subordinated debentures provide for certain restrictions on payment of dividends or acquisition or redemption of company's common stock and debentures, and require securing of notes in event of certain liens on company's assets.

Agreements also require company to maintain minimum working capital of \$5,000,000 and consolidated current assets of not less than 150% of consolidated current liabilities.

As of Oct. 31, 1972, under most restrictive of these provisions, consolidated retained earnings available for such payments amounted to \$218,000.

Funded Debt: Monroe Combining Corp. conv. subord. deb. due 1984: AUTH.—\$2,750,000; outstg. \$1,582,000. DATED—Aug. 1, 1969. DUE—Aug. 1, 1984. INTEREST—F&A.

TRUSTEE—Bankers Trust Co., NYC.

DENOMINATION—Fully registered, \$1,000 and authorized multiples.

CALLABLE—As a whole or in part, after Aug. 1, 1971, on at least 30 days' notice, to each July 31, incl. as follows:

1972- 107,875 1973- 107,250 1974- 106,625
1975- 106,000 1976- 105,375 1977- 104,750
1978- 104,125 1979- 103,500 1980- 102,875
1981- 102,250 1982- 101,625 1983- 101,000
1984- 100,000

Also callable for sinking fund (which see) at par.

USA 33s-475
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

Def D

FPI-MI-9-24-75-508-4417

Annual Meeting, Fourth Friday in March.

No. of Stockholders: Dec. 31, 1972, 5,878.

No. of Employees: Dec. 31, 1972, 4,023.

Office: 1500 Main Street, Springfield, Mass. 01115.

Consolidated Income Account, years ended

Dec. 31 1972 1971
Net sales ----- \$125,615,321 \$109,741,000
Cost of sales ----- 74,515,466 65,381,000
Selling, etc., exp. ----- 33,012,423 26,469,000
Other exp. net ----- 884,077 1,339,000
Income taxes ----- 8,644,000 8,539,000
Net profit ----- 32,581,117 26,844,000
Prev. ret. earn. ----- 2,368,819 2,273,000
Com. divs. (cash) ----- 2,368,819 2,273,000
Retained earnings ----- 38,771,659 32,581,117
Earnings, com. sh. ----- \$1.36 \$1.36
No. of com. shs. ----- 6,393,938 6,393,938

After \$4,076,459 (1971, \$3,073,000) deferred \$7,499,358 restricted. As reported on 6,248,008 (1971, 6,068,761) aver. shs. (In Les Editions Europeennes S.A. (acq. Dec. 3, 1971) from date of acquisition. \$6,077,893 shs. adj. for 5-for-3 stk. split 4/72.

Sales and Earnings, years ended Dec. 31 (in thousand dollars):

Year Net Sales Net Income Per Sh.
1970 ----- 90,127 3,148 0.88
1969 ----- 78,759 4,798 0.79
1968 ----- 74,297 3,964 0.68
1967 ----- 72,615 5,375 0.95
1966 ----- 59,094 3,577 0.67

Based on weighted average number outstanding during each year.

Note: Taken from 1972 Co. annual report. Adj. for stk. splits in 1972 and 1968.

Consolidated Balance Sheet, as of Dec. 31:

Assets: 1972 1971
Cash ----- \$5,280,217 \$4,930,000
Marketable secur. ----- 5,500,000 6,300,000
Receivables, net ----- 29,662,403 25,641,000
Inventories ----- 21,618,996 15,846,000
Prepayments ----- 1,786,477 1,390,000

Total current ----- \$63,848,093 \$54,326,000
Net prop., etc. ----- 31,201,354 22,901,000
Life ins., cash val. ----- 378,597 339,000
Other assets ----- 4,405,313 3,263,000

Total ----- \$99,833,357 \$80,829,000

Liabilities: 1972 1971
Accounts payable ----- \$8,149,670 \$6,165,000
Notes payable ----- 3,725,183 2,787,000
Accruals ----- 5,465,307 4,921,000
Income tax ----- 2,692,967 3,263,000
Div. payable ----- 667,527 635,000

Total current ----- \$30,700,654 \$17,771,000

Directors
 Brozman H. J. Goodfriend
 Levine Milton Nordlich
 Sallagher A. N. Thompson
 Vice: Arthur Andersen & Co.
 Counsel: Otterbourg, Steindler,
 & Rosen.
Stockholders: Oct. 31, 1972, 2,300.
Employees: Oct. 31, 1972, 675.
Head Office: 124 W. 36th St., New
 York 10018.

Consolidated Income Account, years ended

	1972	1971
Sales	\$33,843,000	\$39,965,000
Cost of sales	27,873,000	31,912,000
Gross profit	4,333,000	4,230,000
Operating expenses	1,047,000	1,100,000
Depreciation	176,000	1,298,000
Amortization	394,000	1,425,000
Income taxes	112,000	123,000
Net income	\$2,790,000	\$1,855,000
Dividends	203,000	1,217,000
Retained earnings	\$2,587,000	\$638,000
Common shares	1,624,199	1,772,241

on sale and dividend of retail operations, 100% applied, inc. tax credit. (2) Loss on sale of Monarch Bonding & Laminating Co. \$71,000 life insurance proceeds in excess of cash surrender value. (3) As reported \$1,000 (1971), \$1,342,000 (1972) aver. com. & com. sh. \$0.17 (1971), \$0.97 (1972) bef. extraord. equal to \$0.23 (1971), \$1.06 (1972) a sh. (3) show discount, ops. as a separate

Earn., com. sh. amounted to \$0.12
 f. extraord. chg.) in 1972 and \$0.12
 f. extraord. chg.) in 1971 assum. full

Consolidated Balance Sheet, as of Oct. 31:

	1972	1971
Assets	\$1,159,000	\$1,278,000
Liabilities	4,005,000	5,076,000
Equity	9,072,000	9,941,000
Current	\$14,505,000	\$16,605,000
Long-term	5,639,000	4,491,000
Debt	742,000	687,000
Cost	2,070,000	2,070,000

Current \$22,956,000 \$23,853,000
Debt \$5,752,000 \$6,732,000
Equity \$66,000 \$175,000
Cost \$28,000 \$1,333,000

Current \$6,346,000 \$8,040,000
Debt \$1,568,000 \$1,568,000
Equity \$6,310,000 \$6,000,000
Cost \$16,000 \$18,000
Earnings \$4,797,000 \$5,220,000
Equity \$2,919,000 \$3,106,000
Cost \$7,732,000 \$8,344,000
Equity \$7,732,000 \$8,344,000
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Equity \$66,000 \$175,000
Cost \$28,000 \$1,333,000

SINKING FUND—Annually, to redeem debts, or before July 27, 1972-78 cash (or debts), equal to 4.5% of debts. originally issued; on or before July 27, 1979-84 cash (or debts), equal to 8% of debts. originally issued. Payments calculated to retire approx. 80% of debts. prior to maturity.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$8.85 a sh. No. adjustment for interest or divs.; cash paid in lieu of fractional shs.; conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire com. in excess of consolidated net earnings available for restricted payments after Nov. 1, 1968.

RIGHTS ON DEFAULT—Trustee or 25% of debts. outstg. may declare principal due and payable (30 days' grace on payment of interest or sinking fund installment).

INDEBTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts. outstg.

PURPOSE—Proceeds to reduce advances from factors; for acquisitions, and for working capital.

OFFERED—(\$2,500,000) at 100 (proceeds to Co. 31%) on Aug. 7, 1969 thru Weis, Voisin, Cannon, Inc. and associates.

Other Loans: 1972 company borrowed \$1,200,000 from a bank, repayable in equal quarterly installments over a period of about 5 years with interest at 1% above prime rate. In connection therewith, certain modifications were made in agreement relating to 8 3/4% notes. Under these agreements, company is required, among other things, to maintain minimum working capital of \$8,000,000 and sum of tangible net worth and subordinated debt at not less than \$9,500,000. These minimum amounts will increase by \$1,000,000 annually in each of 1973 and 1974 fiscal years. Agreements also limit amount of factor advances and other obligations for borrowed money with a maturity of less than one year (current debt) which may be incurred by company to 75% of consolidated net sales for prior three-month period. Company is also required to reduce amount of such current debt to \$3,000,000 or less for a consecutive period of 60 days in each fiscal year, beginning with fiscal year ending Oct. 31, 1973.

Cap. & Stock: Monroe Group, Inc. common; par \$0.01.

Auth., 3,000,000 shs.; outstg., 1,624,199 shs.; reserved for options, 150,000 shs.; reserved for warrants, 33,750 shs.; par \$0.01.

Has one vote per sh. with non-cumulative voting for directors. No preemptive rights. Transfer Agent: Bankers Trust Co., NYC.

Offered: (200,000 shs.) at \$9.50 a sh. (proceeds to Co. \$8.75) Aug. 7, 1969 thru Weis, Voisin, Cannon, Inc. and associates. Proceeds for same purpose as conv. subord. deb. 7 1/2%, 1984 described above.

(600,000 shs.) at \$6 a sh. on Sept. 29, 1971 thru Thomson & McKinnon Auchincloss, Inc. and associates. Proceeds of 375,000 shs. for Co. account for equipment and working capital.

Traded: OTC.
Price Range: 1972 1971 1970 1969
 High 7 1/4 12 1/4 4 1/2 2 1/2
 Low 2 4 1/4 1 3/4 3 1/4

Warrants: Outstg. 31, 1972, warrants to purchase 33,750 com. shs. at \$10.13 per share expire to 1975.

MOSINEE PAPER CORP.
History: Incorporated in Wisconsin Mar. 7, 1910 as Wausau Sulphate Fibre Co. Name changed to Mosinee Paper Mills Co. in Feb., 1928; present name adopted Jan. 1, 1971.

Business: Manufactures sulphate pulp and industrial specialty paper; also toweling stock, meat wrapping and freezer papers and industrial laminate. Also manufactures windshield cleaning chemicals and markets chemically-treated windshield towels.

Property: Owns over 200 acres of land at Mosinee, Wis., on which is its manufacturing plant, having a daily capacity of 250 tons of paper. Also owns 4,380 horsepower hydro-electric station, which supplies 25% of power required by plant owned 120,000 sq. ft. plant in Columbus, Wis.

Also owns a 125,000 sq. ft. towel converting plant at Green Bay, Wisc.

Industrial forest holdings total 85,000 acres of second growth timberlands.

Subsidiaries: Wisconsin Valley Improvement Co., Cellulonic Systems, Inc.

Officers
 Curt Peacock, Chairman
 Clarence Schottens, Pres. & Chief Exec.
 Officer

H. C. Crandall, Vice-Pres.
 C. A. VonEnde, Vice-Pres.
 B. K. Gage, Vice-Pres.
 R. W. Schmidtko, Sec. & Treas.

Directors
 F. C. Peacock
 S. L. Rewey
 Clarence Schottens
 S. F. Staples, Jr.
 C. A. von Ende
 R. A. Westgate
Auditors: Wipfl, Ullrich & Co.
General Counsel: Ruder Ware, Michler and Forester, S. C.
Purchasing Director: Russell Johnson.
No. of Stockholders: Dec. 31, 1972, 1,411.
No. of Employees: Dec. 31, 1972, 822.
Office: Mosinee, Wis. 54455.

Consolidated Income Account, yrs. ended

	1972	1971
Net sales	\$33,891,826	\$32,501,430
Cost of sales	28,380,147	27,137,231
Selling, etc., exp.	3,637,319	3,715,038
Other profit	1,874,360	1,649,161
Other income	352,731	200,000
Total income	2,227,091	1,849,170
Income taxes	815,215	740,424
Net income	1,411,876	1,108,746
Prev. ret. earn.	11,720,241	11,199,243
Dividends	523,926	382,865
Retained earnings	\$12,324,324	11,720,241
Earn., com. sh.	\$1.40	\$1.12
No. of com. shs.	866,175	806,175
After \$1,574,036 (1971), \$1,570,095 depr., depl. & amort. (2) As reported on aver. shs. (3) Approximately \$5,967,000 not restricted.		

Consolidated Balance Sheet, as of Dec. 31:

	1972	1971
Assets	\$513,942	\$438,053
Mkt. sec. cost	1,532,152	1,894,590
Receivables	2,740,758	2,559,892
Inventories	5,294,752	5,159,340
Other curr. assets	437,634	276,704
Total current	\$10,519,238	\$10,328,579
Net prop., etc.	12,344,825	13,023,943
Other assets	996,805	976,534
Invests., cost	49,850	50,334
Total	\$24,410,718	\$24,379,390

Liabilities:
 Notes, etc., pay. \$400,000 \$320,300
 Accrs. payable 1,851,991 1,592,717
 Accruals, etc. 988,737 886,088
 Income taxes 110,000 420,000

Total current \$3,350,728 \$3,219,105
Notes payable 2,726,667 3,301,133
Def. inc. taxes 1,322,840 1,345,127
Deferred income 136,232 223,558
Disc. on loss r.s. 16,000 96,000
Com. stk. (\$5) 4,955,551 4,955,551
Capital surplus 589,106 589,106
Retained earnings 12,324,324 11,720,241
Stockhold. equity 17,868,981 17,264,898
Reacquired stk. 1,070,730 1,070,730
Net stkhd. eq. 16,798,251 16,194,168

Total \$24,410,718 \$24,379,390
Net current assets \$7,168,510 \$7,109,474
Depreciation \$20,428,447 \$19,289,730
Lower cost or mkt. pulpwood (lifo) \$184,936 com. shs.

Long Term Debt: Outstanding, Dec. 31, 1972, \$3,126,587 comprised of: (1) \$3,050,000 5% first mortgages promissory notes payable \$150,000 semi-annually M&N1 through 1983; secured by first mortgage on substantially all property, except timberland; also pledged is the stock of Bay West Paper Co.; (2) \$76,667 other long term debt.

Company "I" not pay cash dividends on or acquire capital stock in excess of net income after May 31, 1962. Co. also agrees to maintain cons. net current assets of at least \$2,500,000 after Dec. 31, 1965. As of Dec. 31, 1972, about \$5,967,000 of retained earnings was not so restricted.

Capital Stock: L. Mosinee Paper Corp., common; par \$5:
 AUTHORIZED—2,500,000 shares; outstanding, 806,175 shs.; in treasury, 184,936 shs.; reserved for options, 3,044 shs.; par \$5.

Par changed from \$

Directors

Frank Weinstein
A. J. Schomer
C. M. Edwards, Jr.
D. R. Caplan
Joseph E. Limer & Lubin.

General Counsel: Kaye, Scholer, Fierman,
Hendler and Otterbourg, Steindler,
Hansen & Rosen.

One of Stockholders: Sept. 3, 1972, 1,921.

One of Employees: Sept. 3, 1972, 490.

Executive Office: 1411 Broadway, New
York 10018.

Consolidated Income Account:

	53 wks. to Sept. 3, 72	53 wks. to Aug. 29, 71
Net sales	\$56,429,274	\$41,794,393
Selling, etc., exp.	46,823,586	34,308,565
Deprec. & amort.	11,554,834	7,319,290
General taxes	1,187,972	666,528
Interest	cr1,771,000	cr236,000
Other sub.	163,078	85,691
Other chg.	70,000	
Net income	1,273,040	178,309
Net loss	(\$50,710)	(\$30,100)
Net sales and net loss for 53 wks. ended Sept. 3, 1972, \$56,429,274 and ended Aug. 29, 1971, \$41,794,393, respectively.		

Consolidated Balance Sheet, as of:

	Sept. 3, 72	Aug. 29, 71
Assets	\$1,538,794	\$1,589,302

USA 38a-476
(ED. 4-23-71)

EXHIBIT
U. S. DIST. COURT
S. D. OF N. Y.

Def. E

FPI-M-9-24-75-50M-4417

Agreement requires certain minimum
amounts of working capital and continuity
of management and restricts borrowings,
leases and dividends. Agreement also restricts
payment of dividends and stock redemptions
to net earnings after Dec. 29, 1968.
In Sept. 3, 1972, \$350,000 of retained earn-
ings was not so restricted.

Capital Stock: Concord Fabrics, Inc. com-

mon \$1 par.
3,500,000 shs.; 1,785,731 shs.; reserved
for 70,000 shs.; par \$1.

Dividends (payments since 1967 follow):
\$1.20 in 1969; \$0.40 1970; \$0.10
1971.

Stock dividends: 1969, 10%.

Certain stockholders owning 1,236-
shares at Aug. 20, 1971 have waived cash
dividends until June 30, 1973; waiver will
be subject to certain conditions such
as mergers, consolidations and public offer-
ings.

One vote per sh. with non-cumulative
dividends. No preemptive rights.

Transfer Agent: Bankers Trust Co., NYC.
Investing Trust Co., NYC.

300,000 shs. at \$15 a sh. on July
1, 1971.

Shearson, Hammill & Co., Inc.
at \$20 a sh. on June 17, 1969.

Offering did not represent new
issue.

On ASE (Symbol: CIS).
1972 1971 1970 1969 1968
8 1/2 13 1/4 14 21 23 1/2
3 1/2 4 3/4 3 1/2 12 1/2 14 1/2

Listing: for entire year, 24 1/2-12 1/2.

CUNNINGHAM DRUG STORES, INC.

Incorporated Sept. 1, 1931, under
laws of Connecticut as Economical-Cunningham

Drug Stores, Inc. (consolidation of operations
of Economical Drug Co. and Cunningham
Drug Stores of Detroit). Business of latter
company originally established in 1889. Pres-
ent name adopted on Dec. 7, 1936.

On Sept. 30, 1955, Schettler Drug Co., a
subsidiary, acquired entire capital stock of
Miller Drug Stores, Inc.
On Mar. 31, 1958, acquired Broward Drug
Stores, with a warehouse and 7 stores in Fort
Lauderdale, Fla.

On Aug. 21, 1958, acquired Kinsel Drug Co.
by 1-for-20 share exchange. On Nov. 24, 1958,
Kinsel was merged.

In Aug., 1969, acquired Dandy Drug Pic
"N" Sav., Inc.

In May, 1971 sold 27 stores in Florida for
about \$4,400,000.

In Mar. 1972, acquired 11 Supe Rx stores in
Cleveland, O. for undisclosed cash sum.

Business: Company and subsidiaries op-
erate 167 drug and specialty stores and leased
departments in 5 states under following
names:

Cunningham, Kinsel, and Schettler, Shapero
and Dot Discount Stores in Mich., Cunn-
ingham, Ecco, Marshall, Miller Shapero and Dot
Discount Stores in O., Cunningham, Stores
in Fla.; Shapero stores in Calif. and Wash.

Property: Company owns and operates its
own warehouse and office building and also
owns property accommodating stores in
Owosso, Highland Park, and Monroe, Mich.,
one each.

Company leases various pieces of property
under leases expiring to 1982 incl. Majority
of leases are under arrangements whereby
company pays either (1) a fixed minimum
rental or a percentage of gross sales made in
particular store, whichever is greater, or (2)
percentage of gross sales made.

Subsidiaries: Cunningham Realty Co.
Mich. (100%); Schettler Drug Co. (Mich.)
100% common; Miller's Drug Stores, Inc.,
Marshall Drug Co. (Ohio) (100% common);
Shapero's Inc. (Cal.); Thrifty-Cut Rate Drug
Stores, Inc. (100%).

Officers

R. A. Shapero, Chmn. & Pres.
N. S. Shapero, Chmn. Exec. Comm.
Armen Hovnanian, Senior Vice-President
S. G. Smith, Senior Vice-President

Theodore Lazaraton E. W. Gruskin

J. R. Moss Arthur Koorhan

J. A. Semack A. H. Lentzer

J. B. Bonner, Sec. & Treas.

P. A. Annett, Controller

Directors

J. B. Bonner N. S. Shapero
J. W. Elliott R. A. Shapero
J. R. Expert S. G. Smith
Armen Hovnanian R. G. Zeller
A. E. Schwartz

Auditors: Arthur Andersen & Co.

Annual Meeting: First Monday in Feb.

General Counsel: Honigman Miller
Schwartz & Cohn, Detroit.

No. of Stockholders: Sept. 30, 1972, 2,300.

No. of Employees: Sept. 30, 1972, 3,250.

General Warehouse and Executive Offices:

1927 Twelfth St., Detroit, Mich. 48216.

Consolidated Income Account, yrs. ended:

Sept. 30: 1972 1971 1970

Net sales \$90,690,449 \$86,500,000 \$86,500,000

Cost of sales 60,570,508 56,500,000 56,500,000

Selling, etc., exp. 22,649,98 20,000,000 20,000,000

Deprec. & amort. 891,26 891,26 891,26

Rents 2,997,720 2,997,720 2,997,720

General taxes 2,020,529 2,020,529 2,020,529

Income taxes 740,000 740,000 740,000

Net profit 821,340 361,780 361,780

Earn., com. sh. \$20.70 \$0.31 \$0.31

No. of com. shs. 1,166,519 1,166,519 1,166,519

As reported on 1,171,179 aver. com. &
com. equiv. shs.

Sales and Earnings, years to Sept. 30 (in \$):

Net Sales Net Income No. of Shares on Com.

1970 91,593,995 28,330,080 1,165,444 40.72

1969 80,043,651 1,270,743 773,563 1.10

1968 75,606,462 1,071,136 770,238 0.93

1967 72,232,462 1,061,546 770,238 1.36

1966 69,616,786 1,187,063 770,238 1.54

1965 65,893,840 1,168,190 385,119 3.04

1964 57,615,170 924,511 385,119 2.40

1963 53,919,879 406,857 385,119 1.06

Adjusted earn. & shs. for stk split & stk.
divs.

Earnings (\$): 1969, 1.10; 1968, 0.93; 1967, 0.92;
1966, 1.03; 1965, 1.01; 1964, 0.80; 1963, 0.35; 1962,
0.17; 1961, 0.81; 1960, 0.97; 1959, 1.10

Shares: 1969, 1,160,343; 1968-70, 1,155,357; 1969,
1,144,788.

Consolidated Balance Sheet, Sept. 30:

Assets: 1972 1971 1970

Cash \$1,328,737 \$747,510 \$747,510

Receivables, net 1,126,677 820,322 820,322

Inventories 24,640,865 21,277,952 21,277,952

Prepayments 970,564 889,268 889,268

Total current \$28,066,843 \$23,835,052 \$23,835,052

Net property 8,158,805 6,556,645

Lease impr., net 1,047,656 607,324

Other assets 864,001 884,263

Total \$38,137,305 \$31,883,284

Liabilities:

Accounts payable \$8,945,771 \$7,156,918

Notes payable 1,719,541 41,948

Accruals, etc. 1,736,317 1,552,226

Fed. inc. tax 347,164 270,823

Total current \$12,746,793 \$9,021,975

Long-term debt 1,861,463 284,500

Def. income tax 470,000 350,000

Com. stock (\$2.50) 2,916,238 2,913,610

Paid-in surplus 391,912 385,699

Retained earnings 19,748,840 18,927,500

Total \$38,137,305 \$31,883,284

Net current assets \$15,318,050 \$14,813,077

Net tang. com. sh. \$19.77 \$19.08

Depreciation \$4,523,624 \$2,995,622

Lower cost (fifto) or mkt. Certain figures
have been reclassified for comparative pur-
poses.

Long Term Debt: Outstg. Sept. 30, 1972, (ex-
cluding current portion), \$1,861,462 consisting
of:

(1) \$117,000 7% unsecured notes, payable
\$9,000 semi-annually.

(2) \$1,500,000 1 1/2% above prime rate un-
secured note, payable \$100,000 quarterly.

(3) \$244,462 4 1/2% to 7% land contracts due
from 1975-1980.

Loan agreements relating to above long-
term debt include, among other things,
covenants requiring minimum working cap-
ital and restricting additional borrowings.

Capital Stock: 1. Cunningham Drug Stores,
Inc. common; par \$2.50;

AUTHORIZED—1,500,000 shares; outstanding,
1,166,519 shares; reserved for options, 91,588
shares; par \$2.50.

Par changed from \$2.50 to no par Dec.
16, 1936, share for share; \$2.50 par shares
split 3-for-2 Jan. 23, 1970.

VOTING RIGHTS—Has sole voting power.

FIVE RIGHTS—None.

DIVIDENDS—(calendar years):

1934 \$0.35 1935 \$0.35 1936 \$1.05

1937 1.50 1938 1.25 1939 1.00

1941 1.25 1942 1.00 1943-45 1.25

1946 2.00 1947 2.50

After 100% stk. div. (Oct. 1947):

1948 1.12 1949 1.25 1950 1.50

1951 1.87 1952-54 1.75 1955-61 1.90

1962 1.70 1963 0.80 1965 1.20

After 100% stk. div. (1-21-66)

1966-69 0.70

\$2.50 par shares after 3-for-2 split.

1970 0.36 1971-72 nil

Also stock dividends: 1947 and Jan. 21,
1966, 100%.

LISTED—On NYSE (Symbol: CDD); also listed
on Detroit Stock Exchange.

PRICE RANGE—1972 1971 1970 1969 1968

High 16 1/2 13 1/4 20 1/4 40 3/4 33

Low 8 7 7 27 1/2 13 1/4

After 3-for-2 split; before, 31-28 1/4.

Transfer Agents: Detroit Bank & Trust Co.,
Detroit; Morgan Guaranty Trust Co., New
York.

Dividend Disbursing Agent: Detroit Bank
& Trust Co., Detroit.

Registrars: Bankers Trust Co., New York;
National Bank of Detroit, Detroit.

DWG CORP.

History: Incorporated as Deisel-Wemmer-
Gilbert Corp. Jan. 23, 1929, with a perpetual
charter, under Ohio laws to acquire the assets
of The Deisel-Wemmer Co., which had been
operating as a partnership and later as a cor-
poration in Ohio since 1890. Name changed to
DWG Cigar Corp. May 15, 1946. Present name
adopted Nov. 30, 1966.

In Mar., 1930, company purchased the manu-
facturing and sole rights for Odia cigars.

As of Sept. 30, 1939, acquired control of Ber-
nard Schwartz Cigar Corp. (subsequently dis-
solved).

On July 1, 1948 acquired Nathan Elson Co.,
Inc. (liquidated Dec. 31, 1953).

On Jan. 3, 1955, company purchased entire
capital stock of A. Sensenbrenner Sons, Los
Angeles; liquidated Dec. 31, 1957 and now op-
erated as a division.

In June, 1956, acquired business and brand
of Chicago Motor Club Cigar and on Mar. 1,
1957, business, and brands of Y-cum Bros.,
Reading, Pa.

On May 1, 1961, acquired assets of M.
Trelles & Co., New Orleans.

New Colombian subsidiary was formed in
fall of 1963 for buying and processing of
South American tobacco.

In Nov. 1966 acquired about 12% interest
in National Propane Corp. (see appended
statement).

In Jan. 1967 acquired 22% (subsequently in-
creased to 45%) of stock of Wilson Brothers
(see general index).

In Dec. 1967 acquired additional 77% of
National Propane Corp. thru exchange offer
which offered shareholders of National Pro-
pane either \$5 cash and \$12 of 5 1/2% secured
instalment notes, due 1968; or \$20 in 5 1/2%

convertible subordinated debentures, due 1987, for each common share.

In May 1969, acquired 40% of outstanding common stock of Southeastern Public Service Co. (see Moody's Public Utility Manual) through exchange of \$25 of conv. subord. debts. for each Southeastern common share.

In 1970, increased its holdings in Southeastern Public Service Co. to more than 51%.

Business: Company is a holding company. Subsidiaries are engaged in distribution and sale of liquefied petroleum gas for household, farm, commercial and industrial use, operation of freezers, cold storage and ice facilities; servicing to utilities and governments; production of natural gas and oil; manufacture of glass products and ceramic tiles under trade name "Houze Art". Also manufactures men's shirts, sportswear, pajamas and robes.

Subsidiaries

①National Propane, Corp. (89% owned).
②Wilson Brothers, (45% owned).
③Air Pollution Control Corp. (16% owned).
④Southeastern Public Service, Inc. (51% owned).

⑤See alphabetical index.

⑥See Moody's Public Utility Manual.

Officers

Victor Posner, Chmn., Pres. & Chief Exec. Off.
Richard Cohen, Vice-Chmn.
Steven Posner, Senior Vice-Pres.
Kenneth Hoffman, Vice-Pres., Treas. & Asst. Sec.
B. M. Krakower, Vice-Pres. & Sec.
I. M. Elegant, Vice-Pres. & Asst. Sec.
R. L. Isaacs, Contr.

Directors

I. M. Elegant
Victor Posner
Richard Cohen
Melvin Colvin
Kenneth Hoffman
C. A. Jacobson
B. M. Krakower
W. L. Pallot
E. R. Perry
Bernard Posner
Steven Posner
Armer White

Auditors: Peat, Marwick, Mitchell & Co.
Annual Meeting: Prior to Feb. 28.

No. of Stockholders: Apr. 30, 1972, 6,364.
No. of Employees: Apr. 30, 1972, 15.

Office: 763 Fifth Ave., New York, N. Y. 10019.

Consolidated Income Account, yrs. ended	1972	1971
Apr. 30		
Net sales, etc.	\$92,946,642	\$90,971,616
Cost & expenses	76,673,621	73,043,820
Dep. & amort.	6,321,835	5,891,740
Oper. profit	9,951,786	12,036,056
Other income, etc.	393,533	365,535
Total income	10,345,319	12,401,591
Interest	4,003,281	4,417,998
Other deduct., net	cr310,797	cr348,314
Fed. income tax	2,379,499	3,590,339
Inc. fr. subs., etc.		
Div. income	321,390	190,925
Equity earn.	346,876	400,674
Minority interest	1,842,887	2,542,522
Net income	3,098,715	3,175,645
Prev. ret. earn.	10,194,070	6,933,525
Credit		111,127
Preferred divs.	30,751	34,227
Retain. earnings	13,262,034	10,194,070
Equity, com. sh.	51,222	51,222
No. of com. shares	2,423,314	2,402,277
Equity in undistributed earn. of subs. and affil. ①As reported on aver. shs.; ②\$0.85 (1971, \$0.84) on a fully diluted basis. ③Cancellation of stk. purchase plan.		

Consolidated Balance Sheet, as of Apr. 30:	1972	1971
Assets:		
Cash	\$7,863,815	\$8,264,429
Receivables, net	12,115,433	11,668,301
Due from affils.	126,154	111,522
Inventories	4,023,494	3,962,608
Prepayments	1,421,526	1,166,952
Total current	\$25,550,522	\$25,173,812
Net prop., etc.	73,394,313	71,085,309
Investments	890,328	754,447
Other assets	3,026,861	3,228,895
Exc. acq. cost	19,123,914	19,202,966
Total	\$128,965,938	\$126,234,429
Liabilities:		
Accts., etc., pay.	\$3,802,519	\$3,824,068
Notes, etc., pay.	5,857,295	9,541,589
Fed. inc. taxes	1,787,244	2,043,069
Oth. curr. liab.	3,433,800	3,029,307
Total current	\$14,880,858	\$18,438,033
Deb. 5 1/2% 1987	15,575,780	15,671,180
Oth. lg. tm. debt	38,083,462	35,386,078
Dealers deposits	2,764,123	2,979,885
Def. Fed. inc. tax.	9,927,946	9,219,637
Minority interest	18,464,735	18,413,996
\$0.60 cv. pf. (\$1)	50,589	56,971
Common stock (\$5)	12,367,000	12,261,815
Capital surplus	4,115,115	4,118,558
Retained earnings	13,262,034	10,194,070
Stockhold. equity	29,794,738	26,631,414
Reacquired stk.	505,704	505,704
Net stkhd. eq.	29,289,034	26,125,710
Total	\$128,965,938	\$126,234,429
Net current assets	\$110,639,664	\$6,735,779
Depreciation	\$62,887,162	\$60,364,650
Lower cost (princ. ffo) or mkt. ⑤\$0.086		

Long-Term Debt: Outstanding, Apr. 30, 1972, \$13,792,506 comprising:

- (1) \$6,197,500 12% note payable \$167,000 quarterly balance \$3,515,500, Apr. 1976.
- (2) \$328,430 6 3/4% convertible note payable to stockholder Aug. 6, 1972. Convertible into 120,871 common shares at \$6.857 per sh.
- (3) \$1,754,076 5 1/2% note due annually to June 19, 1974.
- (4) \$500,000 8% convertible note due annually to Mar. 1, 1973, convertible into 125,000 common shares at \$4.00 per sh.
- (5) \$4,512,500 1% over prime rate bank note due to Dec. 1974.

Subsequent Debt: On June 19, 1972, Co. entered into a new loan agreement with a group of banks, in amount of \$12,000,000, proceeds of which will be used to repay certain existing bank loans as well as notes payable to an affiliate and a stockholder. Loan bears interest at 1 1/4% over prime rate and is evidenced by promissory notes maturing in nineteen consecutive quarterly installments of \$300,000 and a final quarterly payment of \$6,300,000.

New loan is secured by all of common stock of National Propane Corp. owned by Co. (\$480,015 shares), 811,565 shares of common stock of Southeastern Public Service Co. and all of common stock of Wilson Brothers owned by Co. (1,131,408 shares). Co. is restricted from paying cash dividends on its common stock during term of loan until such time as specified levels of consolidated working capital and tangible net worth (as defined) have been attained. At Apr. 30, 1972, Co. was unable to pay any cash dividends within terms of loan agreement. Agreement also provides, among other things, that minimum amounts of consolidated working capital and consolidated tangible net worth (as defined) be maintained during term of agreement.

Subsidiary Debt: Outstanding Apr. 30, 1972, \$12,744,698 comprising:

- (1) \$140,000 5% promissory notes due Oct. 1, 1972.
- (2) \$8,020,000 5% promissory notes due June 1, 1983.
- (3) \$1,152,000 5 1/4% notes due June 1, 1983.
- Other Debt: Outstanding Apr. 30, 1972, \$3,432,698.

Subsidiary Debt: Outstanding Apr. 30, 1972, \$17,403,553.

Comprising:

- (1) \$1,604,000 5% first mortgage & collateral trust bonds, due to 1977.
- (2) \$369,000 5 1/2% convertible notes, due 1972-77.
- (3) \$3,821,000 5 1/4%-5 1/4% sinking fund debentures due to 1986.
- (4) \$5,000,000 revolving credit and term notes payable to banks due to 1974 with interest at 1 1/2% above prime rate (5 1/4% as at Feb. 28, 1972).
- (5) \$2,560,795 5 1/2% to 7 1/2% mortgage notes, due to 1989.
- (6) \$3,048,758 5% to 9% promissory note, due to 1983.

Debenture Debt: 1. DWG Corp. convertible subordinated debenture 5 1/2%, due 1987:

AUTH.—\$22,030,000; outstg., \$8,334,330.

DATED—Nov. 30, 1967. DUE—Nov. 30, 1987.

INTEREST—M&S.

TRUSTEE—State Street Bank and Trust Co., Boston.

DENOMINATION—Fully registered, \$20, \$100, \$1,000 and authorized multiples of \$20 thereof.

CALLABLE—As a whole or in part on at least 30 days' notice from date of issuance to each successive year as follows: 1st year, 105%; 2nd year, 104%; 3rd year, 103%; 4th year, 102%; 5th year, 101%; 6th year, 100%; thereafter at 100. Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, during 5 years prior to maturity, to retire debts., cash (or debts.) equal to 25% of highest amount of debts. at any time outstg.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time to each Nov. 30, incl., as follows: 1971, \$9.14; 1973, \$9.71; 1975, \$10.28; 1977, \$10.85; thereafter at \$11.43 a sh. conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Oct. 1, 1967 plus \$500,000.

RIGHTS ON DEFAULT—Trustee, or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest or sinking fund installment).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts. outstg.

PURPOSE—Issued in Dec. 1967, in connection with acquisition of National Propane Corp. LISTED—On Pacific Coast Stock Exchange.

PRICE RANGE—1972	1971	1970	1969
High.....	87 1/2	82 1/2	65
Low.....	86	86	47

Bid prices

2. DWG Corp. convertible subordinated debenture 5 1/2%, due 1994:

AUTH.—\$60,000,000; outstg., Apr. 30, 1972, \$6,741,400.

DATED—Jan. 15, 1969. DUE—Jan. 15, 1994.

INTEREST—J&J1 to holders registered on 15th day prior to interest date.

TRUSTEE—First National Bank, Boston.

DENOMINATION—Fully registered, \$25, \$100, \$1,000 and authorized multiples of \$25. Interchangeable without service charge.

CALLABLE—As a whole or in part on at least 30 days' notice to each Jan. 15, incl., as follows:

1974... 105.50 1975... 105.21 1976... 104.92

1977... 104.63 1978... 104.34 1979... 104.05

1980... 103.76 1981... 103.47 1982... 103.18

1983... 102.89 1984... 102.60 1985... 102.31

1986... 102.02 1987... 101.73 1988... 101.44

1989... 101.15 1990... 100.86 1991... 100.57

1992... 100.28 1994... 100.00

Also callable for sinking fund (which see) at par.

SINKING FUND—Annually on Jan. 15, 1992-93 to retire debts., cash (or debts.), equal to 30% of debts. outstg. July 15, 1991.

CONVERTIBLE—Into com. at any time (if called, on or before 3rd business day prior to redemption date) initially at \$10 a sh.

Jan. 15, 1970-72, \$10.71; Jan. 15, 1972-74, \$12.14; Jan. 15, 1974-76, \$13.57; Jan. 15, 1976-78, \$15.71; thereafter, \$17.86 a sh. No adjustment for interest or divs. except that debts. converted after record date and prior to interest payment date must be accompanied by an amount equal to such interest which the registered holder is entitled to receive. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Apr. 30, 1969 plus net proceeds from sale of stock or debt converted into stock after such date plus \$500,000.

OTHER PROVISIONS—Same as conv. subord. deb. 5 1/2%, 1987.

PURPOSE—Issued in connection with exchange offer to Southeastern Public Service Co.

Capital Stock: 1. DWG Corp. \$0.60 cumulative convertible preferred; par \$1:

Authorized—947,307 shs.; outstg., 50,589 shs.; par \$1.

PREFERENCES—Has preference over com. for assets and divs.

DIVIDEND RIGHTS—Entitled to cum. cash divs. of \$0.60 a sh. annually, payable quarterly.

LIQUIDATION RIGHTS—In any liquidation, entitled to \$15 a sh. plus divs.

VOTING RIGHTS—Has 1/10th vote per sh. If divs. are in arrears for 6 quarterly payments, then pfd. voting as a single class, is entitled to elect 2 directors.

Consent of 66 2/3% of pfd. outstg. necessary to (1) change terms adversely; (2) authorize additional pfd. ranking prior to or on a par with outstg. pfd.

CALLABLE—As a whole or in part after July 31, 1972, at \$20 a sh.

CONVERTIBLE—Into com. at rate of 1 1/4 com. shs. for each preferred sh.

PURPOSE—Issued in Jan. 1967 in exchange for 189,458 com. shs. of Wilson Brothers.

LISTED—On Detroit Stock Exchange.

PRICE RANGE—①1972 1971 1970 1969 1968

High..... 11 1/2 16 10 12 1/2 26

Low..... 4 1/2 11 1/2 5 1/2 3 19 1/2

2. DWG Corp. common; par \$5:

AUTHORIZED—10,000,000 shares; outstg., 2,423,314 shares; in treasury, 50,086 shares; reserved for options, 88,750 shares; reserved for conversion of notes and debentures, 1,710,927 shs.; reserved for warrants, 103,353 shares; reserved for conversion of preferred, 88,530 shares; par \$5 (changed from no par to \$10 par in 1930, share for share; and to \$5 par May 15, 1946, two \$5 shares issued for each \$10 share; \$5 par shares split 7-for-4 Aug. 8, 1968).

VOTING RIGHTS—Has exclusive voting power subject to rights of preferred.

DIVIDEND RESTRICTIONS—See loan above

DIVIDENDS PAID—

1929... \$1.12 1/2 1930... \$1.50 1931... \$1.25

1932... 0.25 1933... Nil 1934... 0.25

1935... 0.87 1/2 1936... 2.50 1937... 2.00

1938-39 1.25 1940... 2.00 1941-43 1.50

1944... 1.87 1/2 1945... 1.12 1/2 1946... 1.12 1/2

On \$5 par shares:

1946... 1.70 1947... 1.42 1/2 1948... 1.25

1949-51 1.00 1952-53 0.80 1956... 0.82 1/2

1957-58 0.90 ①1959... 0.92 1/2 1960... 0.80

①1961-64 0.80 1965... 0.40 1966... nil

1967... 0.10 1968-72 nil

On \$10 stock dividends: 1959, 25%; 1961, 1962 and 1963, 2%.

TRANSFER AGENTS—National Bank of North America, New York; Manufacturers National Bank, Detroit.

REGISTRARS—Chase Manhattan Bank, New York, and National Bank of Detroit.

LISTED—On ASE (Symbol: AFH).
PRICE RANGE— 1972 1971 1970 1969 1968
 High..... 18 1/2 13 1/4 14 1/4 31 40
 Low..... 8 1/4 9 8 1/2 17 1/2 17 1/2
 (Since listing; for entire year, 22-8 1/2.)

APPLIED DATA RESEARCH, INC.

History: Incorporated in N. J. July 22, 1959. In Oct., 1967 acquired Massachusetts Computer Associates, Inc. for 107,997 com. shs. In Dec., 1967 acquired Data & Information Products, Inc. for 6,750 com. shs. and contingency payments of up to an additional 10,000 shs.
 In 1968, acquired Programmatic, Inc. (sold a 35% interest in Co. in Jan. 1972 and additional 46.25% interest on July 13, 1972).
 On July 23, 1972, acquired COMSERV Corp. for 165,543 com. shs. additional shs. may be issued based on future sales and profit performance.

Business: Engaged in 3 areas of computer software business: (1) development and marketing of proprietary programs for solving commonly encountered data processing and computer problems; (2) rendering professional services in the computer and data processing field including systems analysis and programming; (3) computer time sales.

Property

Company facilities located as follows:
 Atlanta, Ga. Milwaukee, Wis.
 Boston, Mass. Minneapolis, Minn.
 Chicago, Ill. New York, N. Y.
 Cincinnati, O. Philadelphia, Pa.
 Cleveland, O. Pittsburgh, Pa.
 Dallas, Tex. Princeton, N. J.
 Detroit, Mich. Rochester, N. Y.
 Hartford, Conn. San Francisco, Calif.
 Houston, Tex. Seattle, Wash.
 Kansas City, Mo. St. Louis, Mo.
 Los Angeles, Calif. Washington, D. C.
 Company also has representatives located in 14 countries throughout world.

Subsidiaries

Massachusetts Computer Associates
 Data & Information Products, Inc.
 Programmatic, Inc. (19% owned)
 Comserv, Corp.

Officers

H. R. Wickenden, Chmn. & Vice-Pres.
 J. R. Bennett, President
 R. V. Smith, Vice-Pres., Treas. & Sec.
 P. E. Borkovitz, R. S. Pollack
 R. C. Buckley, D. J. Welks
 R. J. Davis, Stephen Warshall
 M. A. Goetz

Directors

H. R. Wickenden, M. G. Wagner
 J. R. Bennett, R. V. Smith
 M. A. Goetz, Stephen Warshall
 J. S. Kramer

Annual Meeting: Third Saturday in May.

Auditors: Peat, Marwick, Mitchell & Co.

General Counsel: J. S. Kramer.

No. of Stockholders: Dec. 31, 1972, 1,600.

No. of Employees: Dec. 31, 1972, 285.

Executive Office: Rte. 206 Center, Princeton, N. J. 08540.

Consolidated Income Account, years ended

Dec. 31:	1972	1971
Oper. revenues	\$8,876,634	\$6,440,177
Other income	127,120	127,000
Total	9,003,754	6,567,177
Oper. expenses	8,302,881	7,133,230
Depr. & amort.	1,244,629	943,230
Def. devel. costs	cr1,026,091	cr1,325,702
Interest	280,297	257,154
Def. Fed. inc. tax	97,000	cr199,000
Inc. cont. oper.	105,048	424,735
Loss disc. oper.	32,868	106,916
Net income	72,180	435,651
Other income	80,07	450,36
No. of com. shares	1,180,479	984,736
Gain on redemp. of conv. debts.	1,083,641	1,972,913
aver. shares.		

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1972	1971
Cash, etc.	\$645,437	\$453,661
Receivables net	3,238,584	3,006,159
Inventories	158,500	85,912
Prepayments	64,785	55,119
Total	\$4,127,306	\$3,600,851
Liabilities:		
Notes, etc., pay.	\$2,096,000	\$2,014,850
Accts., etc., pay.	1,131,330	979,989
Total	\$3,227,330	\$2,994,839
Deb. 66, 1983	1,683,500	1,851,500
Notes payable		250,708
Lease oblig.	460,000	
Deferred income	218,820	265,937
Def. Fed. inc. tax	312,477	242,477
Com. stk. (\$2.25)	295,120	246,184
Com. stk. subscr.		100,013

Addit. pd. in cap.	2,947,138	2,568,248
Retained earnings	352,147	279,967
Total	\$9,496,532	\$8,789,933
Net current assets	\$899,976	\$606,012
Lower cost (fido) or mkt. shs.	\$28,575 com. shs.	

Long Term Debt: 1. Applied Data Research Inc. convertible subordinated debenture 6s, due 1983:

Auth.—\$3,000,000; outstg. Dec. 31, 1972, \$1,683,500.

DATED—May 15, 1968. **DUE**—May 15, 1983.

INTEREST—M&N15.

TRUSTEE—U. S. Trust Co., NYC.

DENOMINATION—Fully registered.

CALLABLE—As a whole or in part on or after Apr. 1, 1969, on at least 30 days' notice, 105 to Apr. 1, 1972; reduced prices thereafter to \$5.00 in 1983. Also callable for sinking fund (which sec) at par.

SINKING FUND—Annually, on or before each May 15, 1972-82, cash (or debts.) to retire 8.33% of debts. outstg. Mar. 31, 1972; plus similar optional payments.

PURCHASE FUND—Annually, on or before each May 15, 1969-71, \$125,000 cash to purchase debts. in open market or at public or private sale at prices not exceeding par.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$20.93 a sh. No adjustment for interest or divs.

Cash or scrip paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net income after Dec. 31, 1967. At Dec. 31, 1972, no amount of retained earnings was free of such restriction.

RIGHTS ON DEFAULT—Trustee or 25% of debts. outstg. may declare principal due and payable (15 days' grace for payment of interest).

INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts. outstg.

PURPOSE—Proceeds to reduce debt and for general purposes.

OFFERED—(\$3,000,000) at 100 on May 28, 1968 thru New York Securities Co. and associates.

PRICE RANGE— 1972 1971 1970
 High..... 60 54 85
 Low..... 35 35 35

Lease Obligations: Outstanding Dec. 31, 1972 \$570,000 4% lease obligations due \$10,000 monthly to Sept. 1977.

Capital Stock: Applied Data Research, Inc. common; par \$0.25:

Authorized, 2,000,000 shares; outstanding, 1,180,479 shares; reserved for conversion of debenture, 82,155 shares; reserved for options, 460,000 shares; par \$0.25.

Has one vote per sh. with non-cumulative voting for directors; no preemptive rights.

Dividends: 50% in stock in 1967.

Transfer Agent & Registrar: First Jersey National Bank, Jersey City, N. J.

Offered: (150,000 shs.) at \$24 a sh. on May 28, 1968 thru New York Securities Corp. and associates. Proceeds of 75,000 shs. for general purposes.

Listed: On ASE (Symbol: ADR).

PRICE RANGE— 1972 1971 1970 1969
 High..... 7 1/2 13 1/4 24 1/4 32 1/2
 Low..... 3 1/4 4 1/4 3 1/4 19

(Since listing; for entire year, 40 1/4-19.

ARUNDEL CORP.

History: Incorporated Aug. 6, 1919, in the State of Maryland as a consolidation of the Arundel Sand & Gravel Co., Maryland Dredging & Contracting Co., the Arundel Shipbuilding Co., D. L. Taylor & Co., Inc., Frank A. Furst Realty Co., Patapsco Ballast Co., and Baltimore Transportation Co.
 In 1959 merged Arundel-Brooks Concrete Corp., subsidiary.
 On Dec. 31, 1961, acquired remaining 50% interest in Maryland Slag Co. and an interest in Baltimore Brick Co.
 In Apr. 1967 sold equipment and shipyard used in its dredging operations for \$6,000,000.
 In Mar. 1968, acquired remaining interest in Baltimore Brick Co. subsequently merged.
 In 1969 acquired Northway Apartments, Baltimore City.
 In Oct. 1972 formed Landel-Arundel Inc., a division for Co.'s real estate operations.
 On Oct. 1, 1972 acquired Sadler Materials Corporation for \$850,000 cash and 21,220 com. shares.
 In Feb. 1973 acquired TBS Enterprises, Inc. for 91,963 com. shares.

Business: Company engages in heavy construction projects such as dams, tunnels, bridges, etc., and production and distribution of sand, gravel, stone, slag, brick and pre-mixed concrete.

Company also engages in development of industrial parks and planning for development of other parcels for residential and commercial uses.

Properties: Plant and properties are located in Anne Arundel County, Baltimore County,

Cecil County, Harford County, Howard County and Baltimore, Md. Properties include sand and gravel deposits, stone quarries, developed waterfront real estate in more Harbor and undeveloped and developed parcels in the Baltimore-Ington D. C. area.

Subsidiaries

Construction Materials Division
 Baltimore Brick Company
 Friend Sand & Gravel Co., Inc.
 The Maryland Slag Company
 Sadler Materials Corporation
 Real Estate Development Division
 Landel-Arundel Inc.
 TBS Enterprises, Inc.
 Total Building Systems, Inc.
 TBS/Landel Corp.
 Strathmore Concrete Corp.
 Strathmore Concrete Inc.

Joint Ventures: In July 1970 Co. E. Dixon & Co. entered a joint venture which Co. had a 50% interest for construction of Hannibal Dam on Ohio River.

In 1970 Co. through joint venture Co. began work on a water tunnel in which it has a 10% interest and portion of the Lower Grante Lock, Dam, and house on the Snake River in W. which it has a 12 1/2% interest.

Officers: H. J. Knott, Chmn.; W. H. Pres.; L. E. Dixon, W. K. Duncan, Hahn, V. B. Hertslet, R. W. Server, Pres.; W. H. Quigley, Treas.

Directors: R. D. Black, R. DeChiaro, Sullivan, J. J. Hock, H. J. Knott, R. Harvey, F. X. Knott, W. H. Isaac, R. Kelly.

Purchasing Agent: H. R. Jones.

Annual Meeting: Fourth Mon. in Apr.

Auditors: Touche Ross & Co.

General Counsel: T. Edgell Russell III.

No. of Stockholders: Dec. 31, 1972, 7,000, 60; common 3,000.

No. of Employees: Dec. 31, 1972, 1,000.

General Office: 501 St. Paul Place, Baltimore, Md. 21202.

Consolidated Income Account, years ended

Dec. 31:	1972	1971
Contract revs.	\$27,761,997	\$21,151,153
Constr. matl. sales	20,714,153	22,151,153
Real est. income	3,501,378	2,000,000
Divs. & int. rec.	353,283	1,761,928
Other income, net	276,193	1,761,928
Total	\$52,507,010	\$49,776,162
Other expenses	47,403,244	42,500,000
Adm. & gen. exp.	897,637	897,637
Interest	476,675	476,675
Income taxes	1,679,000	2,500,000
Net income	2,050,454	3,000,000
Prev. ret. earn.	21,286,634	19,800,000
Pfd. dividends	276,193	1,761,928
Debit	(1,521,002)	(1,521,002)
Retained earnings	21,776,722	21,220,000
Earn. com. sh.	12,25	12,25
No. of com. shares	1,616,041	1,616,041
After \$1,885,674 (1971, \$1,868,522) d. to acq. Sadler Materials Corp. from acq. Oct. 1, 1972. After deduct. \$143,000 (\$46,400) due to invest. tax credit. 31 shs. by TBS to stkhldr. in cancell. of debt to acq. Reservation of com. stk. under compens. agree. On 1,605,565 (1971, 1,580,000) adj. for 5% stk. div. 1/73. (1971, \$1.84) assuming conv. of conv. pfd. shs.		

Consolidated Balance Sheet, as of Dec. 31:

Assets:	1972	1971
Cash	\$1,219,572	\$87,000
Mkt. secur.	2,817,474	7,000,000
Receivables	7,141,352	5,000,000
Inventories	11,967,052	1,000,000
Adv. jt. ventures	3,785,231	5,300,000
Exc. bill. costs	563,485	
Prepayments	408,393	440,000
Total	\$27,911,569	\$20,607,000
Net prop., etc.	24,315,531	20,607,000
Other assets	3,379,126	
Total	\$55,606,226	\$41,214,000
Liabilities:		
Total	\$55,606,226	\$41,214,000

EXHIBIT

U. S. DIST. COURT

S. D. OF N. Y.

Def. F

Com. stock	5,220,060	4,000,000
Capital surplus	8,601,200	4,000,000
Retained earnings	21,776,722	21,220,000
Stockhold. eq.	34,846,488	31,780,000
Reacquired stk.	578,327	600,000
Net stkhld. eq.	34,268,161	31,180,000
Total	\$55,606,226	\$42,154,000

TRANSFER AND DIVIDEND DISBURSING AGENT—Continental Illinois National Bank & Trust Co., Chicago.

REGISTRAR—La Salle National Bank, Chicago.

GRADED—OTC.
PRICE RANGE— 1972 1971 1970 1969 1968
 High..... 21 3 8 15 15
 Low..... 5 3 2 6 9

TECHNICAL OPERATIONS, INC.

History: Incorporated in Delaware Sept. 26, 1951.

In Apr., 1962, acquired Beckman & Whitley, Mountain View, Cal., for 148,500 shares.

In 1965 sold 60% interest in Chemtrol Corp.

In 1967, sold remaining 40% interest in Chemtrol Corp.

In June, 1968, acquired R. S. Landauer, Jr. & Co., Glenwood, Ill., which provides services in the field of personnel radiation dosimetry for cash and 24,220 common shares.

In Apr. 1969 acquired Joyce, Loebl & Co., Ltd. and its affiliate, Sevcon Engineering Ltd.

On Dec. 31, 1971, acquired Vappi & Co., Cambridge, Mass., construction company for 600,000 Co. com. shs.

In Jan. 1973 McCormick Communications, subsidiary, acquired WLKW, AM & FM, Providence, R. I. and WBNY, Buffalo, N. Y. for \$1,000,000 and \$588,000 respectively.

Proposed Acquisition: In Dec. 1972 entered into an agreement to acquire radio station WEZE, Boston, Mass. Subject to approval of FCC expected in mid 1973.

Joint Venture: In Aug. 1969, Co. and American Broadcasting Cos., Inc. formed ABTO Inc. to continue development of process for broadcasting black and white television news pictures in color.

In Feb. 1970, ABTO Inc. completed a public offering of 180,000 shs. After completion of offering Co. owned 40% interest.

In Feb. 1973 exercised option to purchase from American Broadcasting Cos., Inc. its 40% interest in ABTO, Inc.

Business: Company performs research services in a variety of technical fields; also provides computer programming and related services; manufactures scientific and Bio-Medical instruments, control devices for battery-powered vehicles, laser scanners & modulators, radiographic equipment, standby power systems; for missiles; and operates a personnel radiation detection & monitoring service.

Vappi & Co., subsidiary, is engaged in general construction business in northeastern U.S.

McCormick Communications Inc., subsidiary operates radio stations WLKW, AM & FM, Providence, R. I. and WBNY, Buffalo, N. Y.

Property: Owns two plants covering 135,000 sq. ft. in Burlington, Mass. Leases 10,000 sq. ft. of office space in Alexandria, Va. Joyce, Loebl & Co. Ltd. has long-term lease on plant of 40,000 sq. ft. in Gateshead, England. Also in Gateshead, a 27,000 sq. ft. plant is under construction for Sevcon Engineering, Ltd.

Divisions: Radiation Products; Physical Sciences; R. S. Landauer, Jr. & Co.

Subsidiaries: Joyce, Loebl & Co., Ltd.; Sevcon Engineering Ltd.; Vappi & Co.; R. S. Landauer, Jr. & Co.; McCormick Communications, Inc.

Affiliate: ABTO, Inc. (40% owned) (see Moody's OTC Industrial Manual).

Officers

C. V. Vappi, Chmn.

M. G. Shorr, Pres.

Joseph DiMarzo, Vice-Pres., Fin. & Admin. & Treas.

E. T. Clarke, Vice Pres. & Secretary

G. B. Parrent, Jr., Vice-Pres., Instr.

R. P. Moncreiff, Asst. Sec. & Counsel

Directors

E. T. Clark

Joseph DiMarzo

F. L. Marx

T. F. McMains

C. V. Vappi

A. J. Kelley

Auditors: Arthur Andersen & Co.

General Counsel: Palmer & Dodge, Boston, Mass.

Purchasing Agent: M. A. Tanguoso.

Annual Meeting: Fourth Wednesday in Jan.

No. of Stockholders: Jan. 5, 1972, 2,300.

No. of Employees: Jan. 30, 1972, 800.

Office: Northwest Park, Burlington, Mass. 01803.

Consolidated Income Account, yrs. ended Sept. 30:

Net sales, etc. 1972 1971 1970 1969 1968

Costs & expense

Oth. deduct, net

Sh. net loss ABTO Inc.

Interest, net

Income taxes

Extraord. items

Net income 1,208,356 4509,368

Prev. ret. earnings .. 2,438,357 2,947,725

Pool. co. div. 32,830

Retained earnings .. 3,613,883 2,438,357

④Earnings, com. share .. \$0.87 \$0.37

No. of com. shs. 1,385,645 1,385,645

①From shutdown of leased facility. ②Tax credit from oper. losses carrywd. ③After \$487,053 (1971, 411,542) deprec. @ \$0.44 (1971, \$0.29) before extraord. items. ④Incl. McCormick Communication, Inc. from date of its formation in April, 1972.

Consolidated Balance Sheet, as of Sept. 30:

Assets: 1972 1971

Cash \$1,625,921 \$1,667,356

Ctf. of deposit 5,600,000 2,750,000

Mkt. sec., cost 1,542,959 1,741,431

Receivables 15,493,824 13,937,110

Unbilled contr. 384,996 837,290

③Inventories 1,853,722 2,233,759

Prepayments 305,805 276,226

Total current .. \$26,797,227 \$23,443,172

①Net prop., etc. 4,241,284 4,275,154

Invest. & adv. 169,661 1,080,662

Other assets 172,718 661,691

Exc. acq. cost 2,378,128 1,944,885

Total \$34,299,018 \$31,405,564

Liabilities:

Notes, etc., pay. \$929,947 \$923,076

Accts., etc., pay. 7,836,577 7,124,332

Subcontr. ret. pay. 4,220,000 3,942,300

Def. contract rev. 3,875,129 3,260,362

Def. income taxes .. 2,490,375 2,099,642

Total current .. \$19,262,028 \$17,350,212

Cv. deb. ss. '85 3,993,000 3,993,000

Oth. lg. term debt. 2,958,940 3,152,414

Conting. acq. pay. 201,909

Def. Fed. inc. tax. \$2,848

Minority interest .. 190,293

Com. stk. 1,385,645 1,385,645

Com. stk. prem. 3,258,179 3,258,179

Prep. compensation .. \$7362,950 \$7427,000

Total \$34,299,018 \$31,405,564

Retained earnings .. 3,613,883 2,438,357

Net current assets .. \$7,535,199 \$6,092,980

②Deprec. & amort. \$3,173,462 \$2,802,864

③Lower cost (fifo) or mkt.

Note: Above statements incl. Vappi & Co., Inc., acq. Dec. 31, 1971 as "pool. int." for both yrs.

Long Term Debt: Technical Operations, Inc.

convertible subordinated debenture \$s, due 1985:

AUTH.—\$4,000,000; outstg., Sept. 30, 1972, \$3,993,000.

DATED—Feb. 1, 1970. FUE—Feb. 1, 1985.

INTEREST—F&A1.

TRUSTEE—First National City Bank, NYC.

DENOMINATION—Fully registered, \$1,000 and authorized multiples.

CALLABLE—As a whole or in part on or after Feb. 1, 1972, on at least 30 days' notice, to each Jan. 31 incl., as follows:

1973.. 108.00 1974.. 107.33 1975.. 106.67

1976.. 106.00 1977.. 105.33 1978.. 104.67

1979.. 104.00 1980.. 103.33 1981.. 102.67

1982.. 102.00 1983.. 101.33 1984.. 100.67

1985.. 100.00

Also callable for sinking fund (which see) at par.

SINKING FUND—Annually, each Feb. 1, 1976-84, cash (or debts) sufficient to redeem 8% of debts. outstg. Feb. 1, 1975.

SECURITY—Not secured; subordinated to all senior debt.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$18.19 per sh. No adjustment for interest or divs. except debts. converted after interest record date and prior to interest payment date must be accompanied by funds due on such date.

Cash paid in lieu of fractional shs.; conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock after Sept. 30, 1969 in excess of 50% of consolidated net income plus \$1,500,000.

RIGHTS ON DEFAULT—Trustee or 25% of debts. outstg. may declare principal due and payable (30 days' grace for payment of interest or sinking fund installment).

INDENTURE MODIFICATION—Indenture may be modified except as provided, with consent of majority of debts. outstg.

PURPOSE—Proceeds to repay debt and for working capital.

OFFERED—(\$4,000,000) at 100 (proceeds to Co. 97) on Jan. 30, 1970 thru Bear, Stearns & Co. and associates.

LISTED—On Philadelphia-Baltimore-Washington Stock Exchange.

PRICE RANGE— 1972 1971 1970

High..... 96 83 109

Low..... 74 63 41

①Bid prices.

Other Long Term Debt: Outstanding, Sept. 30, 1972, \$3,258,863 consisting of: (1) \$2,207,865 6 1/2% real estate mortgage notes payable \$17,404 monthly to 1983; (2) \$500,000 foreign bank loan payable to Mar. 31, 1973, bearing interest at variable rates; (3) \$262,500 prime interest rate note payable to bank quarterly thru June 1974; (5) \$288,498 other debt payable.

Capital Stock: Technical Operations, common; no par: Authorized, 3,000,000

outstanding, 1,385,645 shs.; reserved for

tions, \$150,000 shs.; reserved for deb. co.

219,528 shs.; no par.

Has one vote per sh. with cumulative

ing for directors; no preemptive rights.

No dividends paid.

Offered (75,000 shares) at \$13.75 a share

ceeds to company, \$12.63 a share) on Jul.

1959 by Bear, Stearns & Co., New York,

associates.

(284,176 shares) at \$39 a share on Dec

1967 thru Kuhn, Loeb & Co., Bear, Ste

& Co. and Clark, Dodge & Co., Inc.

associates. Offering did not represent

financing.

Transfer Agent: First National City Bank

NYC.

Registrar: Chase Manhattan Bank, N.

New York.

Listed: On ASE (Symbol: TO); unlist.

trading on PBW SE.

Price Range: 1972 1971 1970 1969

High..... 17 1/2 17 1/2 27 1/2 56 1/2

Low..... 9 9 7 1/2 20 1/2

TELEFLEX INCORPORATED

History: Incorporated in Delaware, June

1943. On Dec. 18, 1961, acquired assets

former parent, Teleflex, Ltd. (incorporated

in Canada, Dec. 23, 1938) under reorgan.

tion plan.

On Jan. 31, 1963 acquired Ongaro Dyna

mic Industries, Inc., Columbus, O. On J.

30, 1965 Teleflex Industrial Products, Inc.

was merged into Ongaro, which subseq.

changed name to Teleflex Ind. Prod.

In March, 1965, acquired Donzi Marine C

North Miami Beach, Fla., merged into T

flex Ind. Prod., Inc. (subsidiary). The D

Marine Corp. was sold on Nov. 30, 1967.

On Jan. 1967, Flexatrol, Inc., wholly-own

subsidiary was merged into Teleflex Ind.

ustrial Products, Inc.

In Oct. 1967 acquired Trimflex Inc.

In Jan. 1968 acquired Electrical System

Corp., Sarasota, Fla.

USA 33s - 47s

(ED. 4-23-71)

EXHIBIT

U. S. DIST. COURT

S. D. OF N. Y.

Def. G

FPI-MI-9-24-75-SOM-4417

window regulator system; mechanical s

ing systems, engine control systems

cables, electrical instrumentation sy

and wiring harnesses for pleasure m

industry; engine control systems, cables

trical instrumentation systems and w

leisure vehicles; highly engineered p

harnesses for buses, trucks, industrial

extrusions, under the trade name of T

flex, including electrical sleeving, indu

tubing, medical tubing, shapes and pr

custom linings and lined products, br

hose, custom wire products, and bes

for aerospace, automotive, electronic,

dustrial, and medical applications, high

perature anticorrosive coatings, bondin

sealing compounds, and fluoropolymer

ings, under the trade name of Serme

for aerospace, electronic, and industrial

kets. Complete processing facilities are

able for application of SermeTel products

Property: Company owns office and m

ufacturing facilities in North Wales, Pa.

420 sq. ft.) and Bedford Heights, O.

sq. ft.) and leases two buildings

and 29,040 sq. ft.) containing offices

manufacturing facilities in North Wales

leases plants located in Limerick, Pa.

000 sq. ft.) and Van Wert, Ohio (69,4

ft.), offices in Troy, Mich. (10,000 sq

offices and plant in Dover, N. J. (25,

ft.) and Midwest City, Okla.; Sarasota,

(31,000 sq. ft.), and maintains office

Toronto, Canada; and Billerica, England

Financing Arranged: In Jan. 1973, Co. entered into a loan and security agreement with the First Trust Co. under which Co. may borrow up to the lesser of \$8,000,000 or 3% of total of its current retail accounts receivable and the net value of its retail inventory other than that of Jewelsmiths, Inc. Interest is at Bankers Trust's prime rate plus 1%. Co. obligations are secured by such accounts receivable and inventory and are guaranteed by its retail jewelsmiths, Co. borrowed \$3,000,000 of which \$3,000,000 is in debt.

Common: par \$1; 1,000,000 shares; outstanding, 344,150 shares; reserved for options, 344,150 shares. Div. \$1.00.

Preferred: 2-for-1, Nov. 2, 1966. Newater-Rail America Inc. owns approx. 5% of Co. common stock.

Dividends: (calendar years since 1953): 1953 \$1.50 1956 \$1.70 1957-58 \$1.60 1959 1.40 1960 0.90 1961-64 nil 1965 0.50 1966 0.54

After 2-for-1 stock split: 0.12 1967 0.50 1968 0.37 1/2

Also stock dividends: 1959 and 1960, 2%; 1961, 5%.

STOCK RESTRICTION: See term loan agreement.

VOTING RIGHTS: Has one vote per share.

TRANSFER AGENTS: Bankers Trust Co., New York; American Security & Trust Co., Washington, D. C.

REGISTRAR: National Savings & Trust Co., Washington, D. C.; Franklin National Bank, New York.

LISTED: On ASE (Symbol: KAY).

USA 38a-475
(ED. 4-23-71)

EXHIBIT U. S. DIST. COURT S. D. OF N. Y.

Def H

FPI-MI-9-24-75-508-4417

Abraham Bernstein, Vice-Pres.
C. Miller, Asst. Treas.
Henry Stone, Secretary
Patricia Healy, Asst. Sec.

Directors:
Benjamin Osher W. V. Lurie
R. Mascolo Tully Plesser
J. Catrambone R. T. Reynolds
M. J. Foster

Auditor: Ernst & Ernst.
Annual Meeting: Apr. or May.
No. of Stockholders: Apr. 11, 1973, 1,127.
No. of Employees: Dec. 31, 1972, 450.
Office: 666 Third Ave., N. Y., N. Y. 10017.

Consolidated Income Account, years ended Dec. 31:

	1972	1971
Net sales	\$9,128,584	\$8,512,861
Cost of sales	5,729,920	5,412,447
Selling, etc., exp.	3,141,938	3,343,061
Interest	165,370	181,590
Income taxes	42,000	
Extraord. credits	(201,121)	
Net income	250,477	424,237
Earn. com. sh.	(30.58)	430.39
No. of com. shares	427,621	427,321
After \$216,843 (1971, \$204,505) deprec.		
Comprising: Net gain sale invests., \$106,858;		
insur. proceeds, \$151,105; tax credit due to carry-forward, \$78,000; total, \$335,963; less		
of pay. due beneficiary of deceased officer		
Co., \$75,000; net loss sale microfilm busi-		
ness, \$59,842; balance, \$201,121. On 432,821		
sh., 442,321) aver. shares, incl. com.		
equivalents. (\$0.11 before extrord. cred-		

Consolidated Balance Sheet, as of Dec. 31:

	1972	1971
Assets:		
Cash & secur.	\$590,641	\$196,117
Receivables, net	1,260,532	1,423,031
Inventories	1,076,243	1,203,503

Prepayments 120,069 254,443
Total current \$3,047,605 \$3,077,694
Net prop., etc. 682,763 1,025,760
Invest., cost 103,192 103,192
Other assets 61,844 61,844
Deferred charges 302,518 390,974
Total \$4,035,470 \$4,658,864
Liabilities:
Notes payable \$122,697 \$1,084,841
Accrs., etc., pay. 1,163,544 1,137,836
Debt due 12,000 12,000
Total current \$1,298,241 \$2,233,677
Cv. deb. 6 1/2%, 1983 1,500,000 1,500,000
Oth. lg. tm. debt 15,300 27,300
Deferred credit 60,000 60,000
Com. stk. (\$0.10) 42,762 42,732
Addit. pd. in cap. 1,073,573 1,059,548
Retained earnings 45,594 204,883
Total \$4,035,470 \$4,658,864
Net current assets \$1,749,364 \$843,227
Net lang. com. sh. \$2.72 \$2.10

Long Term Debt: Kleer-Vu Industries Inc. convertible subordinated debenture 6 1/2% 1983.
AUTH. \$1,500,000; outstg., Dec. 31, 1971, \$1,500,000.
DATED—May 1, 1968. **DUE**—May 1, 1983.
INTEREST—M&N to holders registered on 15th day prior to interest date.
TRUSTEE—Bankers Trust Co., NYC.
DENOMINATION—Fully registered, \$1,000 and authorized multiples thereof.
CALLABLE—As a whole or in part on at least 30 days' notice at prices to be determined. Also callable for sinking fund (which see) at par.
SINKING FUND—Annually, on or before business day prior to each May 1, 1975-82, to retire debts, cash (or debts), equal to \$125,000 plus similar optional payments.
SECURITY—Not secured; subordinated to all senior debt.
CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$32.50 sh. No adjustment for interest or dividends except that debts converted after record date and prior to interest payment date must be accompanied by an amount equal to such interest which the registered holder is entitled to receive. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.
RIGHTS ON DEFAULT—Trustee, or 25% of debts, outstg. may declare principal due and payable (30 days' grace for payment of interest).
INDENTURE MODIFICATION—Indenture may be modified, except as provided, with consent of 66 2/3% of debts, outstg.
PURPOSE—Proceeds to retire bank debt; balance for working capital.
OFFERED—(\$1,500,000) at 100 on May 7, 1968 thru Kohlmeier Co. and Associates.

Other Debt: Outstanding Dec. 31, 1972, \$15,300 6% mortgage payable in monthly installments of \$1,000 to Sept. 1, 1974 and \$6,300 in final installment due Oct. 1, 1974.
Capital Stock: Kleer-Vu Industries, Inc. common; par 10 cents. Authorized, 1,500,000 shs.; outstanding 427,621 shs.; reserved for options, 35,000 shs.; reserved for conversion of debentures, 46,153 shs.; par \$0.10.
Has one vote per sh. No preemptive rights.
Under lease agreement on Brownsville plant, company may not pay divs. which would reduce net worth below \$125,000.
Dividends (payments since 1961)
1961 nil 1962-63 0.10 1964 nil
1965 0.10 1966-72 nil
1967 Paid stock dividends: 1962, 2%; 1963, 1965 and 1967, 5%.
Transfer Agent and Registrar: Registrar & Transfer Co., New York.
Listed: On ASE (Symbol: KVVU).
Price Range: 1972 1971 1970 1969 1968
High 10 1/4 11 1/4 23 40 1/2
Low 4 1/2 4 1/2 3 1/2 7 7 1/2

NICHOLS (S. E.) INC.
History: Inc. in N. Y. Nov. 27, 1968. On Feb. 1, 1969, acquired assets and liabilities of predecessor partnership for 2,300,000 recapitalized com. shs. and \$1,400,000 9 1/2% subord. debts.
Business: Operates 26 self-service discount department stores in N. Y., Pa., N. J., Del., W. Va., Vt., N. C. and Ohio which feature nationally advertised brand name products at discount prices.
Property: Leases 20,000-sq. ft. of facilities in NYC.
Officers:
I. M. Rosenbaum, Chmn.
Manfred Brecker, Pres. & Treas.
Joseph Keller, Exec. Vice-Pres.
Erich Metzger, Vice-Pres. & Sec.
Directors:
I. M. Rosenbaum
Manfred Brecker
Joseph Keller
Erich Metzger
D. H. Wheeler
Meivon Katz
Auditors: Laventhol Krekstein Horwath & Horwath.
General Counsel: Arum, Friedman & Katz.
No. of Stockholders: May 1, 1973, 1,030.
No. of Emp.: 1973, 4,000.

Executive Office: 500 Eighth Ave., NYC 10018.

Consol. Income Account, yrs. ended Jan. 31:

	1973	1972
Revenues	\$117,558,967	\$96,474,000
Cost of sales, etc.	91,864,596	74,854,260
Sell., etc., exp.	22,292,387	17,776,221
Interest	547,498	506,732
Income taxes	1,308,314	1,636,071
Minority interest	726	63,810
Extraord. credit	41,256	1,693,717
Net income	1,586,702	\$0.69
Earn. com. sh.	\$0.69	\$0.74
As reported on aver. shs.	\$0.67 (1972, \$0.71) before extrord. credit	\$0.67 (1972, \$0.71) before extrord. credit
from loss carryover.		

Consol. Balance Sheet, as of Jan. 31:

	1973	1972
Assets:		
Cash	\$3,877,680	\$3,204,834
Receivables	646,213	649,741
Inventories	21,238,977	14,589,580
Prepayments, etc.	817,855	618,504
Total current	\$26,580,725	\$19,062,959
Equip., etc., net	3,588,859	4,950,869
Other assets	160,780	204,201
Total	\$30,330,364	\$24,218,029
Liabilities:		
Accounts payable	\$12,471,389	\$8,805,089
Accruals	1,989,806	1,648,610
Debt due	1,548,375	1,307,922
Income taxes	365,473	310,467
Total current	\$16,375,043	\$12,072,088
Long-term debt	4,527,187	4,332,865
Def. income tax	525,215	401,725
Minority interest		628,718
Com. stk. (\$0.10)	234,447	230,000
Cap. excess par val.	2,977,227	2,448,070
Retained earnings	5,691,265	4,104,563
Total	\$30,330,364	\$24,218,029
Net current assets	\$10,205,682	\$6,990,871
Net lang. com. sh.	\$2,734,853	\$2,245,841
of cost or mkt.		
Reclassified for		
active purposes.		

Long Term Debt: Outstg. Jan. 31, 1973, \$6,075,542 consisting of (1) \$1,400,000 9 1/2% subord. debts, due 1980-89; (2) \$3,548,050 6% to 1 1/2% over prime bank debt due to 1978; and (3) \$1,127,492 8%-10% capitalized lease obligations.
Capital Stock: S. E. Nichols Inc. common; par \$0.10. Authorized, 5,000,000 shs.; outstg. Jan. 31, 1973, 2,344,467 shs.; reserved for options, 75,000 shs.; par \$0.10.
Has one vote per sh., with non-cumulative voting for directors. No preemptive rights.
No dividends paid.
Transfer Agent: Irving Trust Co., NYC.
Registrar: National Bank of North America, NYC.
Listed: On ASE (Symbol: NCI).
Offered: (410,000 shs.) at \$12 a sh. on Aug. 1, 1972 thru Shields & Co., Inc. and associates. Offering did not represent new financing.
Price Range: 1972, 12-5 1/2 (bid prices).

NORTEK, INC.
History: Incorporated in Rhode Island on July 24, 1967 for the purpose of acquiring the assets of Kinetic Instrument Corp. and Kaye Machine & Instrument Corp.
On Feb. 13, 1968, Co. acquired the outstg. stock of Nursery Plastics, Inc. and Young Designs, Inc. for cash and stock.
On Aug. 1, 1968, acquired Vittia Corp. for \$450,000 plus contingent payments not to exceed \$400,000.
As of Dec. 31, 1968, acquired Domestic Credit Corp. and subsidiaries for 20,223 common shares, American Flexible Conduit Co. for 60,715 common shares; the Duro Stock Companies for 398,666 common shares plus contingent payments, all the stock of the Duro Cash Companies for an initial cash payment of \$4,000,000 on Mar. 18, 1969 plus contingent payments.
On Apr. 1, 1969 sold Kinetic Instrument Co. and Kaye Machine & Instrument Co. for cash and notes.
On June 15, 1969 acquired Rock of Ages Corp. through a tender offer of \$34 cash and a 95/100th of warrant.
In 1969 acquired Webb Realty Corp., Miami and its affiliated Co.'s for \$10,000,000 cash and notes and a maximum of 448,845 com. shs. payable over 6 years.
On June 18, 1970, acquired all outstanding stock of Clay Agency, Inc. and H. Gary Morse Enterprises, Inc. for 43,000 shares common stock.
In Aug. 1971 acquired Mastercraft Homes Inc., Phoenix, Ariz. for stock.
In early 1973, completed sale of its land and development subsidiary Nortek Properties, Inc. for \$5,600,000 cash.
Business: Company's marketing activities are divided into 2 basic groups as follows:
(1) Consumer & Industrial Products: Manufactures a wide variety of products as follows:
Products which require high-precision manufacturing capabilities, include the design and manufacture of precision mechanical and electro-mechanical assemblies, along with

instrumentation for the aircraft, aerospace and communications industries. Such products involve gear drives, gyroscopes, microwave equipment, digital readout devices and recording cameras.

This group also produces transfer tapes used in micro-miniaturization of electronic circuitry and armored electrical cable and flexible steel conduit used in electrical systems. Installed in homes, commercial buildings, and industry to protect the wiring from physical or corrosive damage.

The activities of this group also serve several sections of the textile industry such as large multiple-needle quilting machines are made to enable quilting contractors and textile manufacturers to produce bedspreads, ski jackets, undergarments, and other quilted products.

Group also manufactures dyeing, finishing, printing and distributing textiles used for linings, pocketings, shirts, upholsterings, draperies, outerwear, and other specialized products.

Infant accessories under "Nursery Plastics" trade name and granite monuments and memorials under "Rock of Ages" name are also produced.

(2) Financial Services: Diversified financing and mortgage services.

Property: Co. owns 15,000 sq. ft. in Cranston, R. I. for Corporate headquarters.

Subsidiaries have facilities as follows:

Owned	
Daytona Beach, Fla.	New York, N. Y.
Miami, Fla. (3)	Winston-Salem, N. C.
Cochesee, Fla.	Sanford, N. C.
Interlachen, Fla. (2)	Fall River, Mass.
Ocala, Fla.	Fall River, Mass.
Barre City, Vt.	Mountain Park, Okla.
Barre City, Vt.	Texas, Wisc.
Barre Town, Vt.	Beebe, Que. Can.
Barre Town, Vt.	Granville, Que. Can.
Barre Town, Vt.	Granville, Que. Can.
New Bedford, Mass.	Guenette, Que. Can.
Providence, R. I.	Minal, Fla. (2)
Oklahoma	Vermont
Wisconsin	Quebec, Can.

Leased	
Miami, Fla. (3)	Decatur, Ga.
Hollywood, Fla.	Columbus, O.
Miami Beach, Fla.	Parma Heights, O.
Chicago, Ill.	Dallas, Tex.
Chicago, Ill. (3)	Denver, Colo.
Chicago, Ill.	Bridgeport, Conn.
New York, N. Y.	Mission, Kan.
New York, N. Y.	Washington, Pa.
Wilton, Conn.	Providence, R. I.
Brockton, Mass.	Providence, R. I.
Administrative.	
Sales.	
Manufacturing.	
Quarrying.	
Leasing.	

Subsidiaries (all wholly owned):
American Flexible Conduit Co., Inc.
Domestic Credit Corp. (R. I.)
Domestic Safe Deposit Co.
Domco, Inc.
Duro Companies
Nursery Plastics, Inc.
Vitta Corp.
Mastercraft Homes, Inc.
Rock of Ages Corp.
Nortek Realty Fund, Inc.

Officers
R. R. Papitto, President & Ch. Exec. Off.
P. Van, Exec. Vice-Pres. & Chief Oper. Off.

Peter Pacheco, Vice-Pres. & Controller
W. L. Ulah, Vice-Pres. & Treasurer

Vice-Presidents
S. G. Sand H. B. Hirsch
Leo Goldberg D. S. Wilson

E. W. Ricci
S. L. Rose, Secretary
Virginia Johnson, Asst. Secretary

Directors
R. R. Papitto David Hiley
J. A. Dedenhoff E. W. Ricci
Leo Goldberg S. L. Rose
C. M. Haar S. G. Sand

Auditors: Arthur Andersen & Co.
General Counsel: Cummings & Lockwood.
Annual Meeting: In May.

No. of Stockholders: May 8, 1973, 3,826.
No. of Employees: May 8, 1973, 1,531.

Executive Office: 815 Reservoir Ave., Cranston, R. I. 02910.

Consolidated Income Account, yrs. ended	
Dec. 31:	1970
Total revenues	\$53,296,000
Costs & expenses	50,833,000
Interest, etc.	3,695,000
Income taxes	cr 415,000
Extraord. chg.	128,000
Net income	545,000
Prev. ret. earn.	12,348,000
Dividends (stk.)	591,000
Retained earnings	11,403,000
Earn. com. sh.	\$430.32
Av. no. com. shs.	2,923,000
Incl. com. equiv. shs.	Net exps. incurred in connection with aband. public of-

fering. \$430.28 bef. extraord. chg. \$414.3 fully diluted. After \$1,478,000 (1970) \$1,233,000 dep. amort. & depl. Incl. Mastercraft Homes, Inc. acq. June 29, 1971 from date of acquisition.

Consolidated Balance Sheet, as of Dec. 31:	
Assets:	1971
Cash	\$4,134,000
Receivables, net	9,913,000
Inventory	12,952,000
Install. loans	867,000
Prepayments	738,000
Total current	\$28,604,000
Net prop., etc.	18,485,000
Excess cost acq.	12,127,000
Non-curr. rec.	28,780,000
Ld. held for devel.	10,700,000
Other assets	5,579,000
Total	\$104,275,000
Liabilities:	1970
Notes, etc. pay.	\$17,282,000
Def. Fed. inc. tax	1,230,000
Accts., etc. pay.	7,933,000
Income taxes	496,000
Oth. curr. liab.	460,000
Total current	\$26,564,000
Long-term debt	31,831,000
Def. Fed. inc. tax	7,933,000
Oth. lg. tm. liab.	490,000
Common stk. (\$1.)	3,094,000
Paid-in surplus	22,994,000
Retained earnings	11,403,000
Stockhold. equity	37,491,000
Reacquired stk.	34,000
Net stkhd. eq.	37,457,000
Total	\$104,275,000

Net current assets: \$2,040,000
Depr. & depl.: \$10,446,000
Incl. \$3,650,000 of deposit. Est. liability for future land dev. costs. \$1,530 shs. at cost.

Long Term Debt: Outstanding, Dec. 31, 1971, \$27,747,000 comprised of:

(1) \$4,357,000 notes bearing interest at 2% above prime rate payable \$1,076,923 semi-annually to Mar. 1, 1975. Secured by all outstg. stock of AAI Group, Duro Group and Rock of Ages Corp.

(2) \$5,905,000 notes payable to selling shareholders of Webb Realty Group, bearing interest at 4% from Aug. 15, 1971, due in annual installments through Apr. 30, 1976. Certain amounts of these notes may be paid in common stock.

(3) \$11,134,000 4%-15% land development mortgage notes and loans collateralized with property, plant and equipment with a net book value of \$1,144,000 and \$11,477,000 land and improvements inventory.

(4) \$2,800,000 4%-8% mortgage notes payable, secured by property, plant and equipment.

(5) \$1,543,000 6%-8% homebuilding subsidiary notes and trust agreements payable, secured with land, property, plant and equipment.

(6) \$2,008,000 4%-10% other notes and loans payable.

Under most restrictive of above loan agreements, at Dec. 31, 1971, approximately \$4,000,000 retained earnings was not so restricted.

Subordinated Debt: 1. Nortek, Inc. convertible subordinated debenture \$5, 1988:

AUTH—\$5,500,000; outstg., Dec. 31, 1971, \$3,190,000.

DATED—June 15, 1968. DUE—June 15, 1988.

INTEREST—J&D15 at office of trustee to holders registered on 15th day prior to interest date.

CALLABLE—As a whole or in part on at least 30 days' notice to each June 14, incl. as follows:

1970	106	1972	105 1/2	1974	105
1976	104 1/2	1978	104	1980	103 1/2
1982	103	1984	102	1986	101

Also callable for sinking fund (which see) at par.

SINKING FUND—Semi-annually, 3 days prior to Dec. 15, 1973 and prior to each J&D15, 1974-87, to retire debts. cash (or debts.) equal to \$217,000; plus similar optional payments.

CONVERTIBLE—Into com. at any time (if called, on or before redemption date) at \$21.17 a sh. No adjustment for interest or divs. except that debts. converted after record date and prior to interest payment date must be accompanied by an amount equal to such interest which the registered holder is entitled to receive. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net earnings after Dec. 31, 1967.

OFFERED—(\$5,500,000) at 100 (proceeds to Co. 98) on June 25, 1968 thru Auchincloss, Parker & Redpath and Stanley Heller & Co. and associates.

PRICE RANGE—1972, 73-46; 1971, 72 1/2-55.

2. Nortek, Inc. convertible subordinated debenture 7 1/2, 1989:
AUTH—\$5,100,000; outstg., Dec. 31, 1971, \$3,240,000.

DATED—Dec. 1, 1969. DUE—Dec. 1, 1989.

INTEREST—J&D1.

TRUSTEE—First National City Bank.

DENOMINATIONS—Fully registered, 100 and authorized multiples thereof.

CALLABLE—As a whole or in part on at least 30 days' notice, to each Nov. 30, as follows:

1971	107	1973	106 1/2	1975	105
1977	105 1/2	1979	105	1981	103
1983	103	1985	102	1987	101

Also callable for sinking fund (which see) at par.

SINKING FUND—Semi-annually, each 1975-89, to redeem debts. cash (or debts.) to \$147,000 debts.; plus annual optional payments beginning June 1, 1975 equal to \$2,000.

SECURITY—Not secured; subordinated to senior debt.

CONVERTIBLE—Into com. at any time called, on or before redemption date at \$15.43 per share. No adjustment for interest or divs. except that debts. converted after record date and prior to interest payment date must be accompanied by an amount equal to such interest which the registered holder is entitled to receive. Cash paid in lieu of fractional shs. Conversion privilege protected against dilution.

DIVIDEND RESTRICTION—Co. may not pay cash divs. on or acquire capital stock in excess of consolidated net earnings after Dec. 31, 1969.

INDENTURE MODIFICATION—Indenture may be modified, except as provided, by consent of 66 2/3% of debts. outstg.

RIGHTS ON DEFAULT—Trustee or debts. outstg. may declare principal due payable (30 days' grace for payment of interest).

PURPOSE—Proceeds for acquisitions, to pay debt and for general purposes.

OFFERED—(\$4,672,000) at 100 (proceeds to Co. 95) on Dec. 10, 1969 thru New York Securities Co. and Auchincloss, Parker & Redpath and associates.

PRICE RANGE—1972 1971 1970
High 75 100 150
Low 48 65 90

Capital Stock: Nortek, Inc. common: \$1 par.

Auth., 6,000,000 shs.; outstg., Dec. 31, 1971, 3,092,197 shs.; in treasury, 1,530 shs.; reserved for debts. and notes, 233,444 shs.; reserved for options, 124,052 shs.; for employee stock options, 150,000 shs.; for acquisitions, 1,114 shs.; for employment contract, 2,114 shs.; reserved for warrants, 300,832 shs.; par \$1.

Has one vote per sh. with non-cumulative voting for directors. No preemptive right.

Dividends: Paid 2% in stock in 1970.

Transfer Agents: First National City Bank, N. Y.; Rhode Island Hospital Trust Bank, Providence, R. I.

Registrars: Chase Manhattan Bank (N. Y. City); Industrial National Bank, Providence, R. I.

Offered (400,000 \$1 par shs.) at \$10 a sh. on Dec. 10, 1970 thru Thomson & Kinnon Auchincloss Inc. and associates.

Listed: On ASE (Symbol: NTK); unlisted on Midwest and PBW Stock exchanges.

Price Range: 1972 1971 1970
High 94 175 325
Low 34 56 84

Since listing, for entire year, 37-14 1/2.

Warrants: Outstg., Dec. 31, 1971, warrants to purchase 300,832 shs. at \$34 per sh. to Apr. 16, 1974 and thereafter at \$34 per sh. to Apr. 30, 1979 when warrants issued in connection with acquisition of Rock of Ages Corp.

Traded: OTC.

Price Range: 1972 1971 1970
High 13 4 1/2 11 1/2
Low 7 1/2 1 1/2 1 1/2

Warrants expiring 4-30-79.

OMEGA-ALPHA, INC.

History: Incorporated in Delaware in 1970 as Okonite Co., successor by merger business and properties of predecessor corporation of same name organized in Nov. 1, 1965 by LTV Corp. (formerly Temco-Vought, Inc.) to acquire business properties of an unaffiliated corporation which was a wholly-owned subsidiary of Kennecott Copper Corp. Present adopted Sept. 15, 1971, in connection following acquisition and merger.

On May 14, 1971, Omega-Alpha, Inc. corporation formed in Delaware, acquired Okonite Co. as a wholly-owned subsidiary from LTV Corp. (formerly Temco-Vought, Inc.) for \$40,500,000, plus cash and notes.

On Sept. 15, 1971, Omega-Alpha, Inc. merged into Okonite Co. (at that time wholly-owned subsidiary) with Okonite surviving under name Omega-Alpha, Inc. Also on Sept. 15, 1971, immediately after merger became effective Okonite Co. merged to two subsidiary corporations business and operations of its former Cable Division and its former